OCTOBER 15, 1979

ONE DOLLAR FIFTY CENTS

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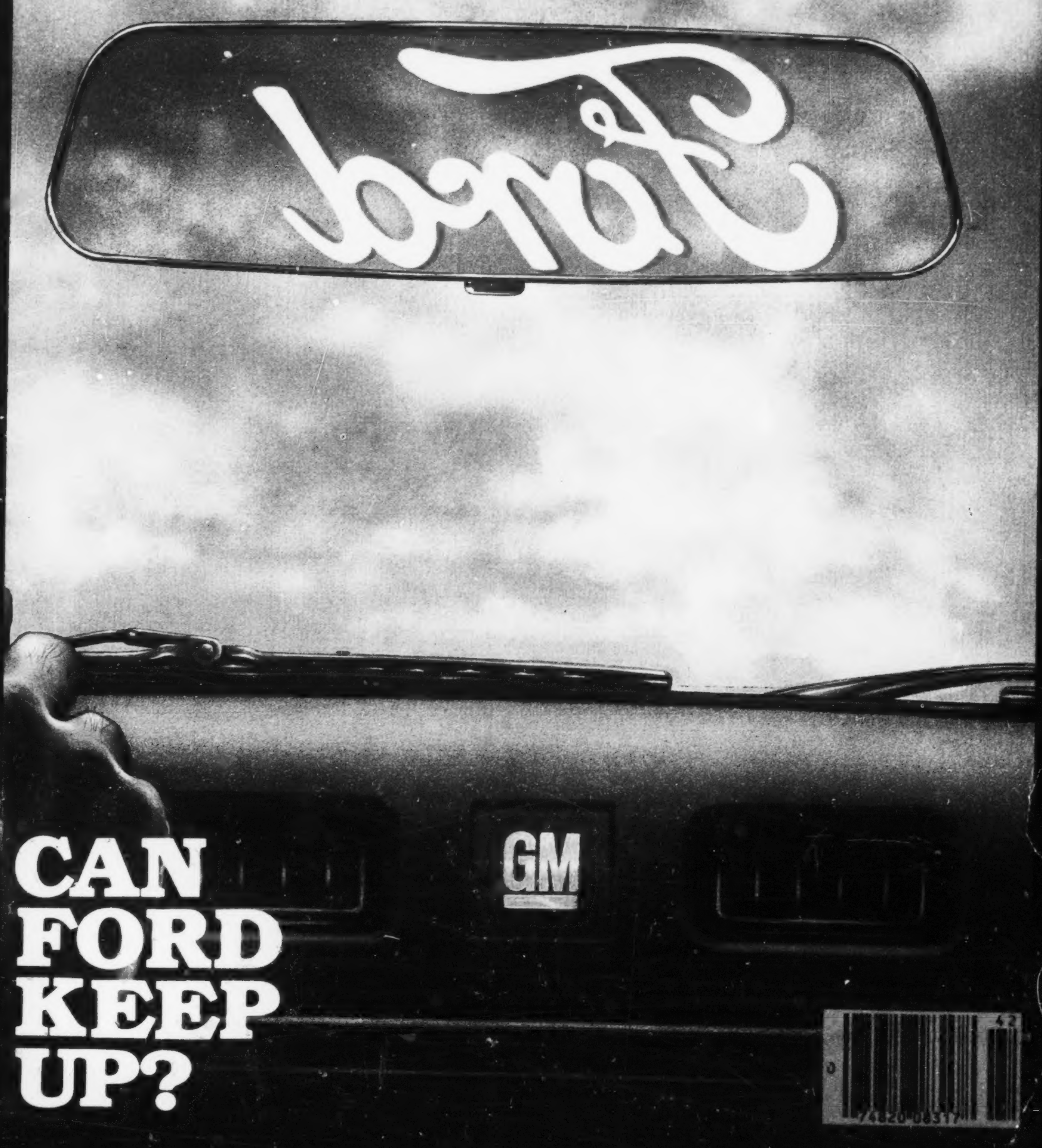
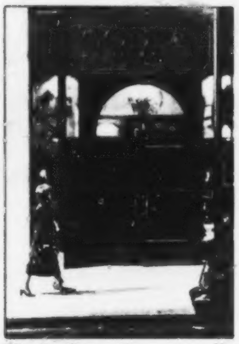
Forbes



CAN FORD KEEP UP?

Forbes

October 15, 1979
Volume 124, Number 8



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Companies: *The Struggles Of A Faded Star.* Back in the early Seventies, Charlotte, N.C.'s NCNB Corp. was Wall Street's favorite bank company and so confident it would inherit the world that one executive who joined it in its glory days told his wife: "I've never seen so many people who can walk on water." Alas, NCNB is doing sensible things these days, but the analysts don't love it as they did when it did wild things. **78**

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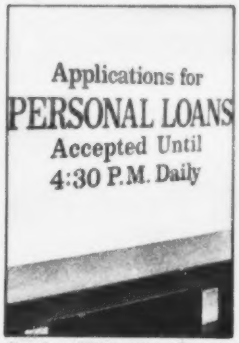

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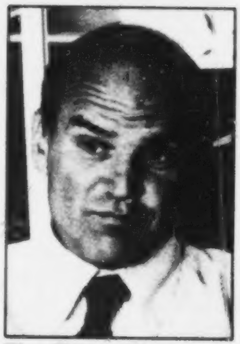

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The Up-And-Comers: *Who Needs Las Vegas?* Centronics Data Computer is the leading independent supplier of printers to the computer industry today because founder Robert Howard came up with an electronic device to control "skimming" in Nevada gaming casinos a decade ago. So why did he spin off the goose that laid the golden egg? **115**

Companies: *Pioneer's Sustained Yield.* Henry Agard Wallace, FDR's Agriculture Secretary and Vice President and later the left-wing Progressive Party's presidential candidate, may be only a footnote in political history, but his place in business is more secure. More than 50 years ago, Wallace founded Pioneer Hi-Bred International to produce hybrid corn seed. Still following Wallace's basic principles, Pioneer has become the world's largest seed-corn producer and an enviably profitable company. **120**

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Statistical Spotlight

Think of a time when stocks of 191 important American corporations are selling for less than net working capital per share. Are we talking about 1932? No, 1979.

The return of Benjamin Graham

"More than one-third of all industrial stocks are selling in the open market for less than the companies' net quick assets."

NO, WE ARE NOT TALKING about today's stock market. The above quote is from one of three articles written for this magazine by the late Benjamin Graham, the respected father of modern security analysis. The date: June 1, 1932. Graham's statement could be applied to the *1979* stock market. Except for a brief period in 1974, this is the first time since the 1930s that the Dow Jones industrial average has sold at a major discount from book value.

In his FORBES articles Graham was talking about depressed stocks, in effect, worth more dead than alive. He said the management owed it to stockholders to consider liquidating the business. Today many major corporations *are* actually liquidating themselves by selling out.

Applying the term "Loaded Laggards" to stocks selling at big discounts from their asset values, FORBES editors later began publishing annual lists based on modifications of Graham's criteria. As the years passed and the market rose, we relaxed these criteria; had we not done so there would have been no list of Loaded Laggards. Now, however, the market, adjusted for inflation, has lost half its value in the past decade. If the economy is in a recession, the stock market, or large parts of it, are in a depression. So with this issue we go back to Ben Graham's original tough criterion for Loaded Laggards: The stock had to be so cheap it sold for less than the company's net working capital—after deducting all debt and preferred stock. So depressed is the current market our computer turned up 191 such stocks. They are listed on the following pages, divided into four categories: profitable companies listed on the New York Stock Exchange, the American Stock Exchange, over-the-counter and unprofitable companies.

Almost 200 companies worth more dead than alive! A sad commentary on the state of the U.S. stock market. A brilliant opportunity for corporate acquisitors and bargain-hunting investors. By the way, there is one company on today's list that was also on Graham's 1932 list: Munsingwear. ■

"Some stocks selling for less than net current assets."

The above title—exactly as Ben Graham wrote it in FORBES in 1932—was used to identify companies selling for less than liquidating value, "worth more dead than alive." Back then one out of every three Big Board stocks was in that condition. Today it's 1 out of 40.

Company	Discount from net working capital	Net working capital per share*	Discount from book value	Book value per share†	Cash per share	Recent price	Five-year price range	Latest 12-month earnings per share	Price/earnings ratio
New York Stock Exchange									
Salant	47%	$11.40	62%	$15.71	$0.56	6	9⅜– 3¼	$0.89	7
Lowenstein (M.)	44	18.91	76	44.36	1.46	10⅝	19⅞– 8⅞	2.75	4
Craig Corp	43	12.68	44	13.03	0.54	7¼	16⅜– 2	0.59	12
Jantzen	30	22.24	42	26.86	1.44	15½	23⅜– 9½	2.87	5
Oxford Industries	29	15.17	53	22.64	0.84	10¾	25⅜– 7	2.24	5
Hart, Schaffner & Marx	26	17.04	45	23.10	3.24	12⅝	16 – 5½	2.27	6
Sterchi Brothers Stores	23	14.07	33	16.24	1.01	10⅞	13 – 4⅝	2.18	5
Coachmen Industries	22	7.50	57	13.74	0.29	5⅞	19⅜– 1½	0.24	24
Manhattan Industries	22	8.92	65	19.84	1.20	7	12⅞– 1¾	2.08	3
Facet Enterprises	22	8.02	59	15.31	0.53	6¼	9⅝– 3⅞	0.07	NM
Cooper Tire & Rubber	19	15.86	51	26.44	3.66	12⅞	18⅜– 5¼	3.34	4
Cunningham Drug Stores	19	14.13	50	23.17	2.40	11½	13 – 3⅝	1.61	7
Tandycrafts	19	7.08	36	8.93	0.45	5¾	6⅞– 3⅝	1.66	3
Phillips-Van Heusen	17	15.70	51	26.40	1.77	13	18 – 3⅞	2.35	6
Munsingwear	17	17.72	50	29.54	0.81	14¾	20⅞–11	1.21	12
Fabri-Centers of America	17	6.15	51	10.46	0.55	5⅛	12¾– 2⅞	1.13	5
Cannon Mills	16	23.77	40	33.56	7.09	20	24¾–10¼	3.25	6
Bayuk Cigars	15	13.58	25	15.29	0.35	11½	12½– 3¾	1.83	6
Cluett, Peabody	14	11.62	48	19.12	2.13	10	14⅞– 3¼	1.68	6
Leslie Fay	13	8.36	38	11.64	0.59	7¼	10¼– 3	1.60	5
Adams Drug	11	4.75	34	6.48	0.91	4¼	6¼– 1¾	0.69	6
Zale Corp	9	24.21	18	26.95	2.77	22⅛	25⅛– 9¾	3.27	7
Faberge	8	10.74	46	18.29	1.08	9⅞	13⅜– 4½	1.09	9
Gateway Industries	1	9.13	33	13.37	6.33	9	11⅜– 1¼	2.02	4
Springs Mills	1	18.26	50	35.75	2.42	18	20⅞– 8⅝	3.66	5
Jonathan Logan	1	13.43	60	33.68	4.27	13⅜	18¾– 4¾	1.23	11
General Medical	1	13.04	25	17.40	0.20	13	21½– 6⅛	1.38	9

*Current assets minus all liabilities and preferred stock. †Excluding intangibles, as of latest fiscal year-end. NM = Not Meaningful.

Company	Discount from net working capital	Net working capital per share*	Discount from book value	Book value per share†	Cash per share	Recent price	Five-year price range	Latest 12-month earnings per share	Price/earnings ratio
American Stock Exchange									
UDS	59%	$ 4.85	62%	$ 5.28	$ 0.30	2	3¾– ⅛	$0.19	11
Damon Creations	56	6.80	69	9.61	0.43	3	6 – 1⅞	0.60	5
Splentex	55	11.22	58	12.02	0.17	5	7¼– 3⅝	0.62	8
Ronco Teleproducts	55	6.08	49	5.39	2.86	2¾	5 – ½	0.81	3
Greenman Brothers	52	5.97	71	9.96	1.34	2⅞	6⅜– ⅝	0.16	18
Belscot Retailers	52	4.14	72	7.10	0.90	2	3¼– ¾	0.11	18
Int'l Seaway Trading	49	13.72	51	14.32	1.15	7	11¼– 1¼	0.91	8
Spencer Co's	49	8.13	53	8.85	5.88	4⅛	8½– ⅞	0.55	8
Family Record Plan	47	6.10	54	7.07	2.65	3¼	5 – ⅞	0.49	7
Pat Fashions Industries	45	10.53	48	11.04	0.32	5¾	6½– ¾	1.71	3
Stardust	45	2.72	59	3.66	0.05	1½	3⅜– ⅞	0.01	NM
Ketchum & Co	43	8.74	54	10.95	1.67	5	7⅛– 1⅝	0.27	19
Thorofare Markets	42	6.93	60	10.12	1.24	4	5⅛– 2	0.39	10
Schrader (Abe)	41	5.08	51	6.09	1.33	3	8⅞– 1½	0.06	NM
Cohen-Hatfield Industries	40	6.91	56	9.35	1.23	4⅛	5½– ½	0.43	10
After Six	36	8.78	61	14.57	0.94	5⅝	9⅜– 2	0.79	7
Olla Industries	36	13.32	43	14.86	6.08	8½	10¾– 1½	1.64	5
Buildex	36	6.28	63	10.94	0.56	4	6 – 2¾	0.82	5
Wolf (Howard B.)	35	4.39	35	4.45	1.37	2⅞	4⅜– 1⅜	0.27	11
Crowley, Milner	34	14.80	59	24.01	10.88	9¾	10½– 5⅝	1.43	7
Three D Depts	33	5.77	36	6.06	2.57	3⅞	4⅝– ¾	1.15	3
Esquire Radio & Electronics	33	23.95	34	24.09	4.45	16	19½– 2⅞	2.89	6
Discount Fabrics	31	2.35	48	3.10	0.04	1⅝	3⅞– 1¼	0.33	5
Caressa	31	5.07	35	5.40	3.23	3½	8⅜– 2¼	0.44	8
Penobscot Shoe	30	7.63	43	9.35	1.21	5⅜	5⅝– 1	0.70	8
Lilli Ann	30	11.39	41	13.56	7.62	8	8⅝– 3⅝	0.74	11
Bro-Dart Industries	29	5.82	42	7.13	0.21	4⅛	6 – ⅝	0.28	15
Ormand Industries	28	3.82	58	6.61	1.30	2¾	5¼– ¾	0.22	13
Universal Cigar	28	7.48	33	8.02	2.34	5⅜	6 – 1⅞	1.34	4
Stanwood	26	4.59	57	7.92	0.52	3⅜	7⅜– ⅜	1.19	3
Morton Shoe	26	7.97	49	11.60	1.28	5⅞	9 – 2⅞	1.36	4
MPO Videotronics	26	7.43	37	8.77	0.58	5½	9 – 1	0.98	6
Atalanta	26	9.64	51	14.48	1.23	7⅛	9⅜– 2¾	1.00	7
Jaclyn	25	6.71	36	7.77	1.64	5	10⅛– 3⅛	0.84	6
Andrea Radio	21	5.22	35	6.39	4.43	4⅛	5½– 1⅝	0.47	9
Volume Merchandise	21	6.34	38	8.00	3.47	5	5¾– ½	1.01	5
Barton's Candy	21	4.26	50	6.80	1.52	3⅜	5⅜– 1⅜	0.15	23
Jensen Industries	19	6.17	23	6.47	2.03	5	10⅛– ½	1.42	4
Lynnwear Corp	18	2.60	42	3.67	0.04	2⅛	3⅞– ⅞	0.41	5
Movie Star	17	13.58	34	17.15	1.84	11¼	13¾– 3¼	2.46	5
Brad Ragan	17	8.33	54	14.92	1.60	6⅞	25½– 5	0.81	8
Lazare Kaplan Int'l	16	15.86	9	14.68	0.86	13⅜	17 – 3	2.77	5
Nestle-LeMur	16	3.74	24	4.11	1.72	3⅛	3⅞– ⅞	0.35	9
RPS Products	14	2.18	45	3.40	0.33	1⅞	3¾– 1	0.30	6
Kenwin Shops	14	12.46	27	14.66	1.26	10¾	12⅞– 3	2.36	5
Fischer & Porter	13	14.08	44	21.83	0.25	12¼	18¾– 3½	1.76	7
G.R.I.	12	5.52	35	7.55	0.34	4⅞	15⅝– 2	0.64	8
Mount Vernon Mills	9	27.14	53	53.05	1.01	24¾	27 –11⅜	5.71	4
Plymouth Rubber	9	3.57	53	6.85	0.30	3¼	3¾– 1⅜	0.24	14
Lodge & Shipley	8	3.14	29	4.03	0.14	2⅞	4⅛– 1	0.33	9
Torin	7	14.98	46	26.11	0.55	14	17⅝– 7½	2.47	6
Marshall Industries	7	9.28	18	10.49	0.05	8⅝	8¾– 2¾	0.72	12
Prudential Building Maintenance	6	5.04	32	6.96	2.37	4¾	10⅛– 1¾	0.42	11
National Spinning	6	6.00	55	12.48	1.32	5⅝	7½– 2¼	0.97	6
Pneumatic Scale	5	19.11	33	27.10	2.27	18¼	26⅛– 9⅛	2.71	7
Chadwick-Miller	3	7.11	26	9.35	1.85	6⅞	8¾– 3	1.17	6
Seaboard Allied Milling	3	19.70	34	29.01	5.03	19⅛	22½– 5	5.58	3
Over-the-counter									
Addmaster Corp	63	3.00	71	3.90	0.46	1⅛	2 – ½	0.14	8
Michaels (J)	55	11.08	64	14.08	0.80	5	6¼– 2⅛	0.95	5
Dewey Electronics	53	3.19	51	3.06	0.52	1½	4 – ½	0.34	4
Weldotron	51	4.59	64	6.18	0.49	2¼	3 – 1	0.53	4
Universal Metals & Machinery	49	5.65	45	5.21	NA	2⅞	3⅜– ⅞	0.68	4
Consolidated Accessories	48	15.39	54	17.22	7.15	8	10¾– 1¾	1.68	5
Dynascan Corp	48	7.17	52	7.74	0.15	3¾	15 – 1½	0.53	7
Rodale Electronics	48	15.28	46	14.79	13.52	8	9½– 1¾	0.30	27
Century Papers	46	5.09	64	7.69	0.75	2¾	4¼– 1⅞	0.51	5
Rose's Stores	43	21.54	58	29.47	5.51	12¼	17¾– 4¾	3.23	4

*Current assets minus all liabilities and preferred stock. †Excluding intangibles, as of latest fiscal year-end. NM = Not Meaningful.

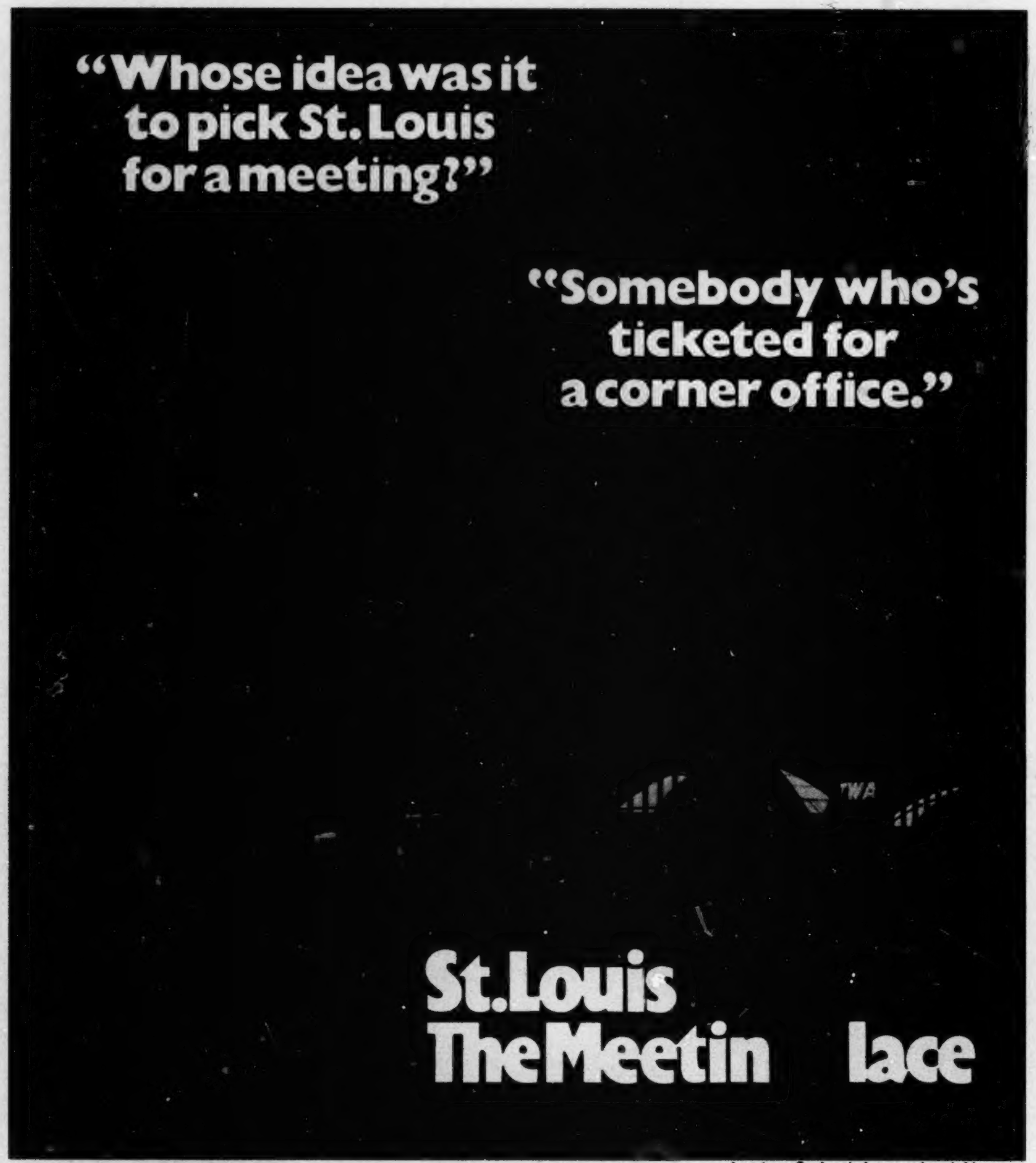
Company	Discount from net working capital	Net working capital per share*	Discount from book value	Book value per share†	Cash per share	Recent price	Five-year price range	Latest 12-month earnings per share	Price/ earnings ratio
Jaco Electronics	42%	$ 5.20	60%	$ 7.52	$ 0.11	3	4 – 1⅜	$0.45	7
Weyenberg Shoe Mfg	41	32.75	29	26.94	13.86	19⅜	24¾– 8	2.61	7
Cummings Inc, Intl Sign Service	40	2.94	72	6.32	0.14	1¾	2½– ⅞	0.65	3
Bond Industries	40	15.11	62	23.66	7.87	9	13½– 2¼	0.57	16
Evans Inc	39	29.21	52	37.17	0.82	17¾	22 – 4¼	4.14	4
Burris Industries	38	3.02	65	5.40	NM	1⅞	4⅛– 1¼	0.09	21
Roselon Industries	36	6.67	57	9.88	0.73	4¼	5 – 2¼	1.24	3
Union Special	36	25.98	49	32.56	1.54	16¾	20¼–10	2.48	7
Schwartz Bros	35	3.85	67	7.62	0.87	2½	4 – ½	0.81	3
Union Metal Mfg	33	14.52	58	23.18	1.38	9¾	15½– 7	0.10	NM
Sage-Allen & Co	33	6.68	67	13.81	2.10	4½	6¼– 2	1.39	3
AIC Photo	32	4.04	33	4.08	0.83	2¾	3¾– ¼	0.72	4
Shatterproof Glass	30	15.33	51	22.07	1.48	10¾	12¾– 3⅛	1.65	7
Chatham Mfg	29	15.93	53	24.42	0.81	11⅜	14⅜– 5½	1.68	7
United Consolidated Industries	29	8.14	43	10.14	1.17	5¾	7¼– 1¼	1.28	4
Unibraze Corp	27	6.87	44	8.85	1.25	5	8½– 2⅜	0.62	8
Recoton Corp	27	2.22	37	2.57	0.38	1⅝	5⅛– ½	0.35	5
Davis Water & Waste Industries	26	6.05	54	9.72	1.37	4½	10½– 2¼	0.50	9
Kiddie Products	26	11.09	43	14.47	0.44	8¼	11½– ¾	1.78	5
Sadlier (William H)	25	5.17	61	9.90	0.07	3⅞	4⅛– ⅞	0.47	8
Lipe Rollway	24	6.24	65	13.45	1.22	4¾	5 – 1	0.84	6
Kewaunee Scientific Equipment	24	11.28	47	16.42	0.44	8⅝	10 – 2¾	0.97	9
Steep Rock Iron Mines	22	5.12	29	5.65	4.39	4	4½– ⅞	0.31	13
United McGill	20	13.75	50	21.79	0.09	11	14¾– 5	2.41	5
Astrosystems	20	5.03	8	4.35	5.09	4	5⅜– 2¾	0.95	4
Fritzi of Calif Mfg	17	11.21	32	13.58	0.48	9¼	10½– 2⅜	2.78	3
Synergistic Communications	17	1.50	42	2.16	0.72	1¼	4 – ⅛	0.08	16
Wham-O Mfg	17	5.70	44	8.42	0.27	4¾	5¾– ¾	1.66	3
Noland Co	17	11.30	60	23.16	0.26	9⅜	11⅛– 4½	1.50	6
Champion Products	17	19.96	41	28.08	1.72	16½	19¾–10	3.06	5
Ducommun	16	18.85	30	22.46	2.39	15¾	16¼– 6¼	2.68	6
Bayly Corp	15	16.47	47	26.52	1.37	14	17 – 3½	5.01	3
Strother Drug	15	9.76	26	11.06	0.60	8¼	10¼– 2⅞	1.37	6
Wright (Wm E) Co	14	6.25	40	8.98	1.02	5⅜	8½– 2	0.46	12
Doughtie's Foods	14	3.80	55	7.26	0.45	3¼	6½– 1	0.70	5
Supradur Mfg	13	5.75	36	7.77	2.80	5	6¼– 3¾	1.65	3
Columbus Mills	13	5.74	52	10.48	0.45	5	9⅝– 1⅝	2.03	2
Slater Electric	13	10.64	41	15.79	0.14	9¼	10¼– 2½	3.02	3
Entwistle Co	12	2.84	59	6.17	0.44	2½	6¾– 1	0.56	4
Barton Brands Ltd	11	11.84	13	12.06	3.27	10½	10½– 4⅛	1.55	7
Cochrane Furniture	11	3.93	60	8.71	0.05	3½	4¾– ¾	1.10	3
Pay-O-Matic Corp	11	1.40	60	3.09	7.41	1¼	2¾– 1¼	0.16	8
Berkline Corp	10	6.84	48	11.79	0.54	6⅛	9⅜– 2	1.30	5
Syracuse Supply	10	35.65	25	42.95	3.79	32	33 –11¾	7.17	4
Dollar General	10	10.54	28	13.27	0.73	9½	12⅞– 3	1.81	5
Minnesota Fabrics	9	5.92	43	9.35	1.58	5⅜	10½– 2⅜	0.81	7
AVM	9	4.41	54	8.75	2.03	4	6½– ⅝	1.30	3
Weisfields	8	15.45	25	18.88	0.31	14¼	18½– 1¾	4.00	4
Frederick's of Hollywood	8	3.96	37	5.75	2.39	3⅝	7⅛– 3¼	0.63	6
Craddock-Terry Shoe	7	11.84	42	18.85	0.67	11	12⅝– 3⅜	1.93	6
Cole Consumer Products	7	6.33	37	9.34	0.14	5⅞	6½– 3½	1.04	6
All American Industries	7	1.48	60	3.42	0.47	1⅜	2⅞– ⅝	0.22	6
Barber-Greene	7	17.41	58	37.95	2.31	16⅛	24 – 3½	2.58	6
Belknap	7	15.02	20	17.47	0.10	14	16⅛– 8⅛	1.40	10
Trailer Equip Distributors	6	2.94	67	8.28	0.64	2¾	5¼– 1½	0.25	11
Welbilt Corp	5	7.87	56	17.02	1.78	7½	17½– 1¼	3.49	2
Bibb Co	4	15.29	67	44.28	1.32	14¾	15½– 5¾	3.41	4
Mathematica	2	6.60	9	7.17	1.32	6½	9¾– 2¼	1.06	6
Vacu-Dry Co	2	1.91	28	2.59	0.87	1⅞	3 – 1⅛	0.14	13
Lyon Metal Products	1	16.90	36	25.99	3.50	16¾	22 – 9¾	3.09	5

In the red

The following companies, traded on the Big Board, Amex and o-t-c, have strong balance sheets but have lost money in the last 12 months. This makes them riskier speculations.

Company	Discount from net working capital	Net working capital per share*	Discount from book value	Book value per share†	Cash per share	Recent price	Five-year price range	Latest 12-month loss per share	Where traded
Concord Fabrics	63%	$ 8.36	73%	$11.79	$0.34	3⅛	7⅜– 1⅛	$–0.69	ASE
Bowline Corp	61	7.39	64	7.98	0.68	2⅞	18 – ⅛	–0.71	OTC
Cramer Electronics	60	5.89	71	8.15	0.07	2⅜	5½– 2	–1.50	ASE
Harwood Cos	60	6.89	74	10.78	0.37	2¾	6⅝– 1⅜	–0.03	OTC
Lafayette Radio	59	4.83	83	11.52	1.64	2	11¾– 1⅛	–6.21	ASE

*Current assets minus all liabilities and preferred stock. †Excluding intangibles, as of latest fiscal year-end. NM = Not Meaningful.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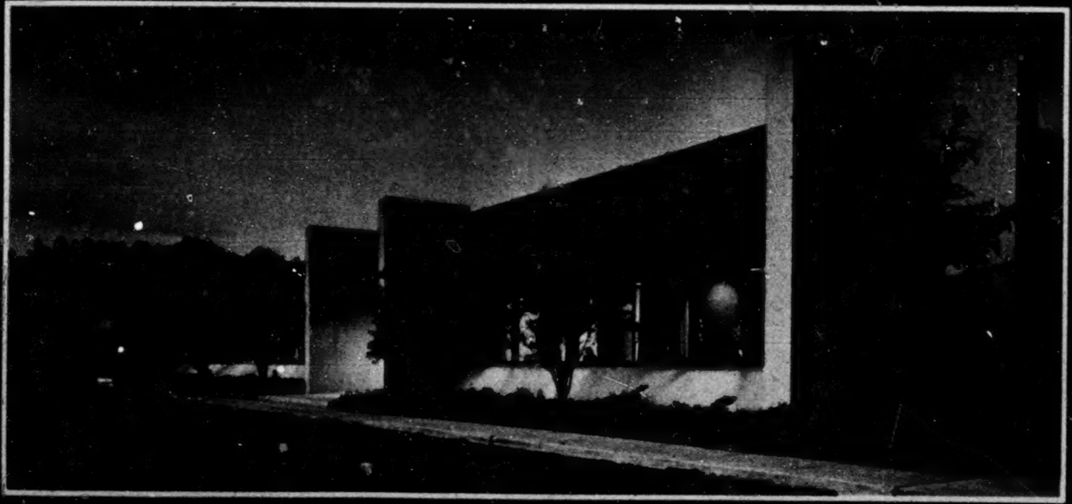
Company	Discount from net working capital	Net working capital per share*	Discount from book value	Book value per share†	Cash per share	Recent price	Five-year price range	Latest 12-month loss per share	Where traded
Travel Equipment	58%	$ 1.80	75%	$ 3.00	$0.13	¾	4½ – ¼	$–0.85	OTC
Joni Blair Calif	56	3.95	68	5.42	0.04	1¾	5¼ – ⅜	–0.21	OTC
National Silver Industries	53	10.48	59	11.91	0.88	4⅞	7¼ – 1⅞	–0.28	ASE
Miller Bros Industries	53	10.16	69	15.48	1.49	4¾	7 – 2¼	–1.09	OTC
Acme Precision Prods	51	2.83	66	4.10	0.91	1⅜	3 – ⅞	–0.51	ASE
SBE	49	1.73	6[illegible]	2.74	0.15	⅞	13⅜ – ¾	–0.54	OTC
National Paragon	47	2.38	80	6.38	0.12	1¼	12½ – 1	–3.80	ASE
National Hardgoods Dstr	43	4.64	67	8.05	0.47	2⅜	4¼ – ½	–0.03	OTC
Ero Industries	42	4.52	54	5.21	0.59	2⅝	3⅞ – ¾	–0.26	ASE
ProGroup	40	1.66	63	2.71	0.02	1	2⅞ – ¾	–0.07	OTC
Wilson Brothers	35	3.07	64	5.54	0.29	2	4½ – 1⅞	–0.77	ASE
Pacesetter Industries	33	1.50	66	2.91	0.95	1	3¾ – ½	–1.18	OTC
Soundesign	32	10.86	44	13.22	1.91	7⅜	16 – 2⅞	–0.01	ASE
Noel Industries	31	2.89	59	4.87	0.10	2	3⅞ – ⅞	–0.46	ASE
American Clipper	30	3.21	43	3.98	NA	2¼	11⅜ – 1½	–0.11	OTC
Marshall Foods	30	3.93	75	11.16	0.86	2¾	5¾ – 2⅝	–1.32	ASE
Wayne-Gossard	28	6.97	67	14.99	0.55	5	8⅛ – 3	–0.12	NYSE
LaPointe Industries	28	3.46	55	5.61	1.62	2½	6⅛ – 2¼	–3.03	ASE
Lloyd's Electronics	28	3.29	66	7.03	0.81	2⅜	11½ – 1⅞	–1.54	ASE
Beck/Arnley	25	3.68	58	6.49	0.89	2¾	8 – 2½	–2.18	OTC
Circle F Industries	24	7.85	61	15.54	2.19	6	8 – 1	–0.48	OTC
Burgess Industries	23	3.10	51	4.88	1.08	2⅜	5¾ – 1⅛	–0.23	ASE
Vendo Co	22	7.73	44	10.62	1.17	6	9⅝ – 3	–0.67	NYSE
House of Vision	20	4.51	49	7.06	0.74	3⅜	8 – 3	–0.26	ASE
Masland (CH) & Sons	20	12.30	58	23.31	2.27	9⅞	17 – 3¾	–0.46	ASE
Allied Farm Equipment	17	2.86	57	5.48	0.33	2⅜	5 – 1	–1.29	OTC
Ehrenreich Photo-Optical	16	11.49	33	14.33	2.16	9⅝	14⅞ – 3½	–0.05	ASE
Superscope	14	5.39	78	21.30	2.12	4⅜	40¼ – 4⅜	–8.21	NYSE
Mesta Machine	13	23.02	61	52.14	2.61	20⅛	30⅛ – 14½	–1.19	NYSE
Sterling Extruder	11	2.80	59	6.15	0.20	2½	4 – 1⅛	–0.02	ASE
Tenna	7	2.01	50	3.74	0.09	1⅞	6 – 1	–0.46	ASE
Baker (Michael)	1	5.32	42	9.00	2.15	5¼	9⅛ – 2⅜	–0.10	ASE

*Current assets minus all liabilities and preferred stock. †Excluding intangibles, as of latest fiscal year-end. NM = Not Meaningful.



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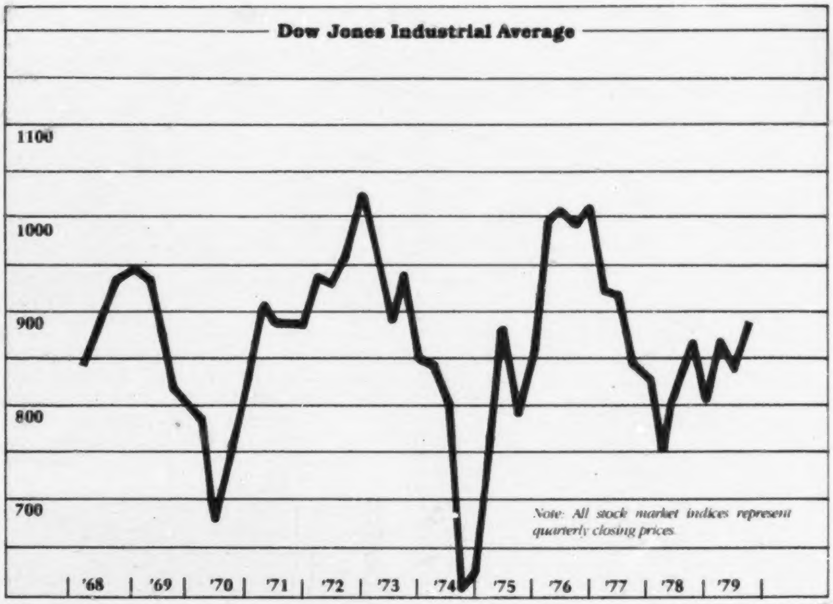
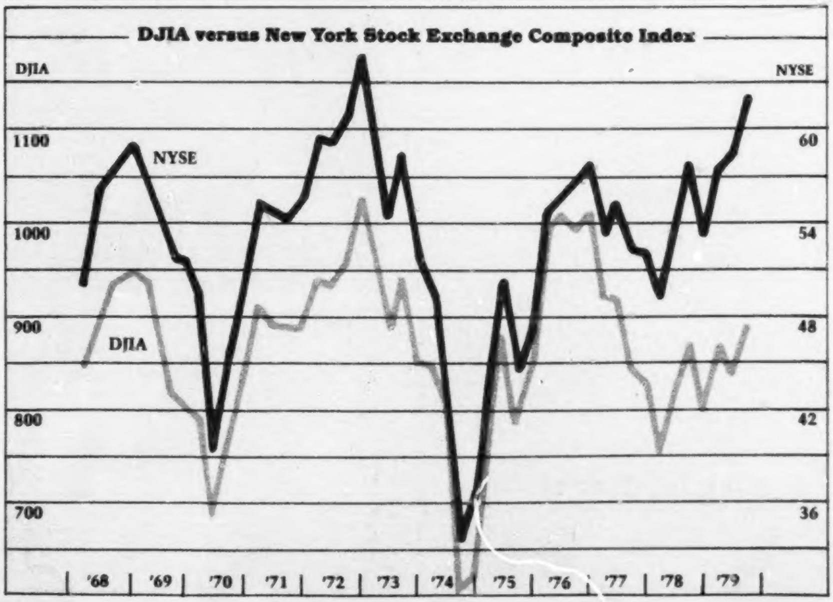
BUTLER

On paper, at least, investors are $150 billion richer than they were earlier this year. That's right—$150 billion.

This is a *bear* market?





Statistical Spotlight

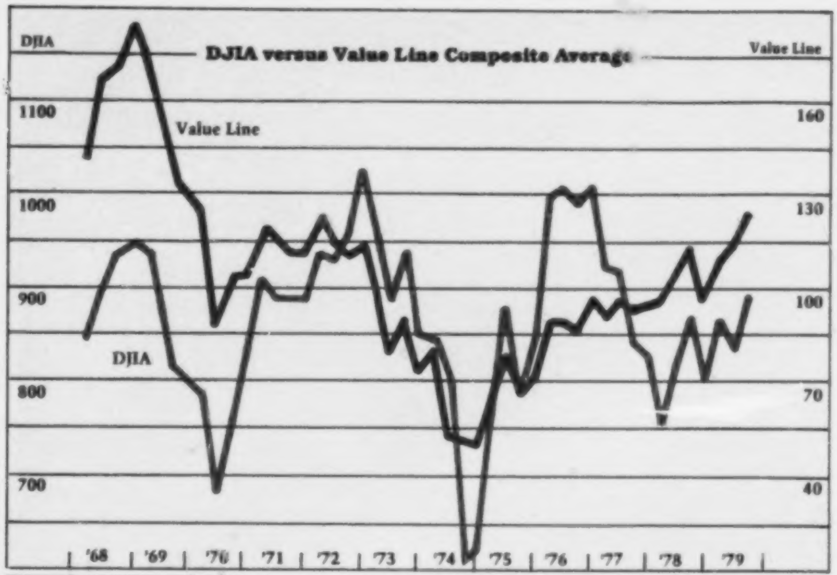
By Howard Rudnitsky

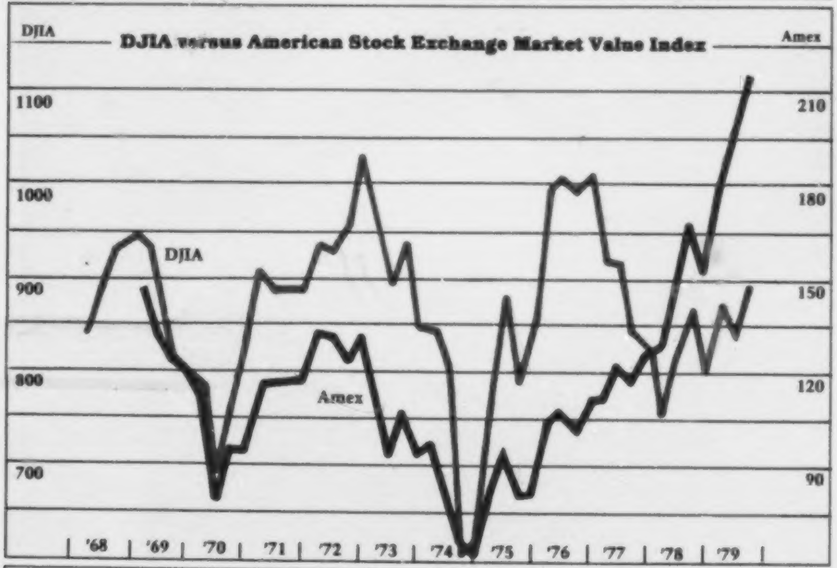
WE'VE HAD A BULL MARKET in gold, silver, old campaign buttons and secondhand barber chairs. Everything has been going up but the stock market.

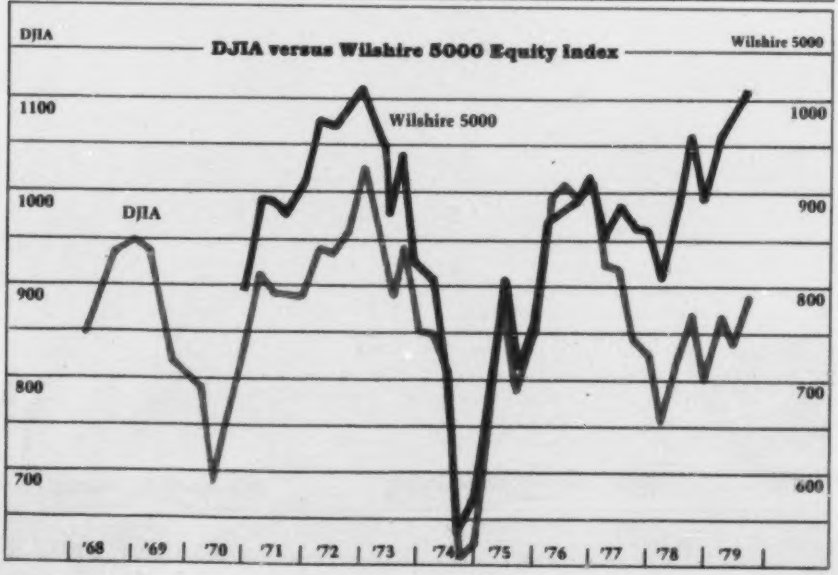
What's wrong with that statement? Just this: It's not true. Measured by some indices, we have had a modest bull market in many stocks since 1975. Since the early Seventies, corporate earnings have generally outpaced stock prices, with the result that stocks have become excellent values in today's inflated economy *(see story, p. 158)*. These values are gradually being translated into higher stock prices. The rise has picked up steam this year, and now, hold on to your hat. Taking into account the entire universe of U.S. common stocks, investors have enriched themselves by something like $150 billion between September and February of this year.

The Dow Jones industrials, to be sure, have risen only modestly. But look at the Value Line Composite Average. This is a far broader average than either the 30-stock Dow or S&P's 500; it includes 1,675 stocks. The Value Line average last month was all the way back to its highs of the early 1970s and up a solid 20% since January. The Value Line average's recovery from 1974—140%—has been strong and fairly steady, with only one major setback and that in last fall's "October Massacre." Value Line still has a way to go to get back to where it was in the wild days of 1968 and 1969, but who's complaining?

Now, let's move to the American Stock Exchange Index. No bear market here. Whereas the DJI is still well below its old highs, the ASE index moved onto alltime high ground last month. It is up 260% from its 1974 low, up some 45% this year alone.







Still not convinced? Then look at the Wilshire 5000 Equity Index, published by Wilshire Associates of Santa Monica. This index—only a computer could love it—is made up of 5,000 stocks, almost the entire equity investment universe in the U.S. It lists Big Board, Amex, over-the-counter and even some under-the-counter stocks. How is the Wilshire 5000 doing? Tremendously well. It recovered spectacularly after 1974, and this year has been going up most of the time . . . from 900 in February to a recent 1056. Net gain in six months: $156 billion.

How does this compare with the late Sixties? We don't know. Wilshire's data base doesn't go back that far. But we know that the Wilshire index is now higher than in 1973, when the DJI made *its* alltime peak.

In case you think the Wilshire index is a freak, heavily weighted to smaller stocks, we hasten to reiterate that it is the broadest of all indices. It is, simply, the total dollar value of the shares outstanding of all 5,000 stocks. Thus the Dow stocks are an important part of the Wilshire group; it would take several dozen small stocks going up to compensate for an IBM, AT&T or Eastman Kodak falling modestly. And yet that is what seems to have happened. Says Wayne Wagner, one of the creators of the index, "There's been an incredible bull market for hundreds—even thousands—of smaller stocks." There have been—and will continue to be—sharp reactions, but the trend seems unmistakably up for the majority of stocks.

The Wilshire 5000 Index—only a computer could love it—went from 900 in February to a recent 1056. Net gain in six months: $156 billion!

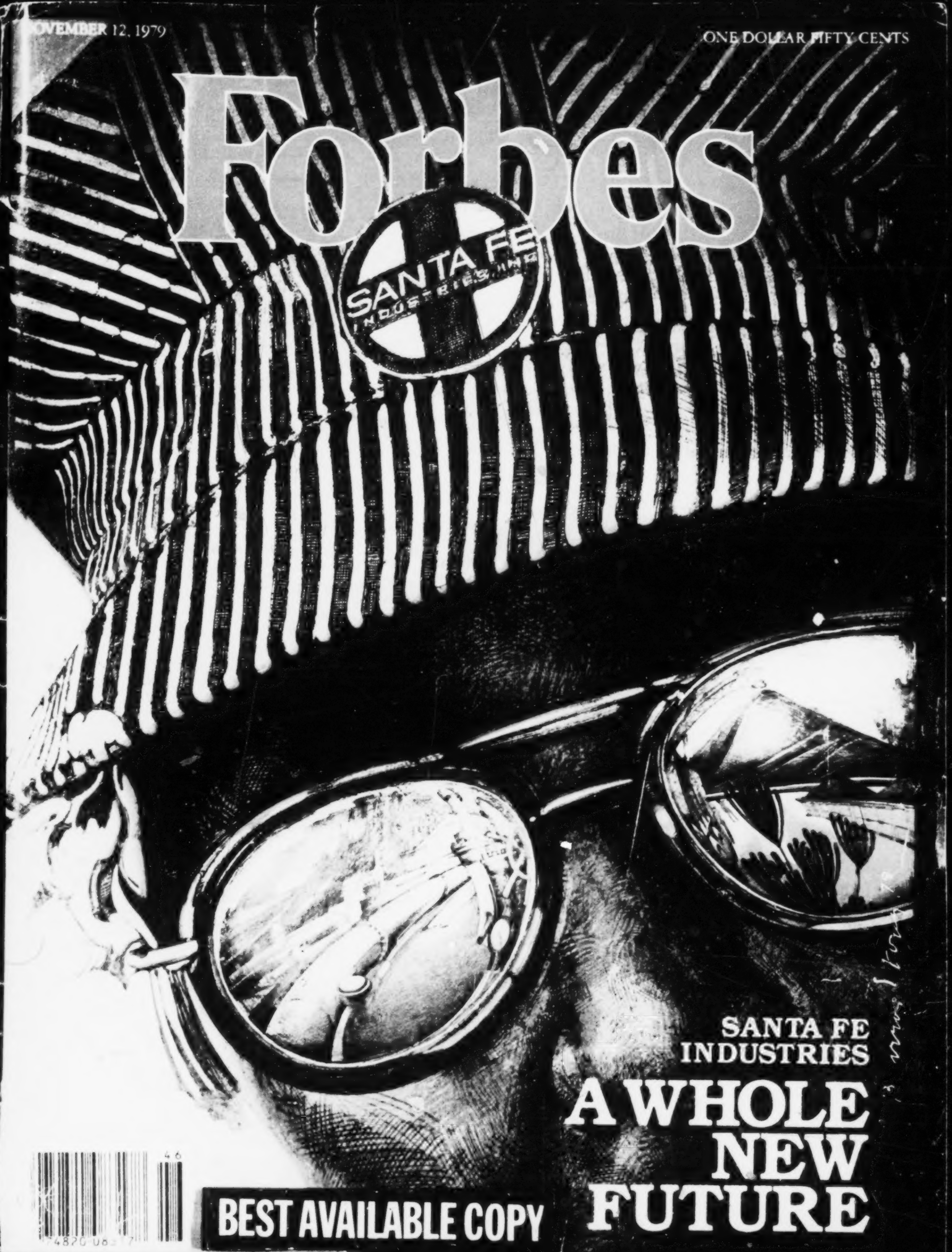
In the old days on Wall Street they used to whisper about "liquidation under cover of the averages." That meant the most prominent stocks were being supported so that the smart money could sell the rest of the overpriced market to small investors. Could it be that we have just been witnessing the opposite? That is, *accumulation* under cover of the averages? Only in this case the smart money are individual investors, smaller money managers and corporate financial officers who buy the secondary stocks while the big institutions have provided "cover" by liquidating stocks and buying bonds.

If you are still not convinced about a bull market, consider this: A little over a year ago you could have bought a seat on the New York Stock Exchange for $48,000. Last month a seat changed hands at $175,000 and the latest asking price was $205,000. Up 327% in a little over a year. That beats even gold or silver. ■

NOVEMBER 12, 1979

ONE DOLLAR FIFTY CENTS

Forbes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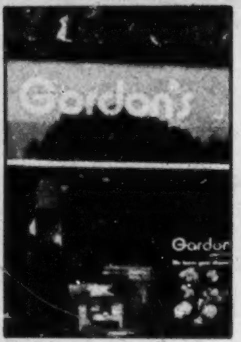
Forbes

November 12, 1979
Volume 124, Number 10

Companies: If Beech is worth $590 million to Raytheon, Piper may be worth considerably more than Bangor Punta's Dave Wallace paid for it. **40**



Companies: All Aron Gordon seems to hear these days is "gold, gold, gold." It's sweet music to his ears. **42**

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Boxing: In the Fifties, it seemed television had killed off boxing forever. But nobody figured on Muhammad Ali. **69**

Airlines: Southwest Airlines is conspicuously undiversified—and also conspicuously profitable. **88**

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Wall Street: *The Return Of The Proxy Fighter.* If rising interest rates will mean a slowdown in tender offers (which often require lots of borrowed money), the proxy fight may be the wave of the future instead of a relic of the past. Arbitrager Carl C. Icahn, who has recently won two proxy fights, has already decided that it is. **37**

Bureaucracy: *The Liberal And The Leviathan.* "Arrogant." "Inflexible." "Unaccountable." "Stupid." Nobody would be surprised to hear businessmen or conservatives apply those adjectives to the huge federal bureaucracy. But when an aggressively liberal U.S. senator like Michigan's Carl Levin does, change is in the wind. Levin got a painful education in the tactics of what he calls "the monster" during eight years as president of the Detroit City Council. He has proposed a bill to give Congress veto power over "a system that has run wild," and he thinks other liberals will come to agree with him. **38**

Labor: *A $300 Million Kitty.* Each member of the United Auto Workers union donates two hours' pay a month to the union. About 30% of it goes to the UAW strike fund. This year the union probably won't have to touch a penny of it, and will wind up its major negotiations with a $300 million kitty that probably won't be needed for at least three years. What will the UAW do with it? "A few people are beginning to talk about the possibilities," says UAW President Douglas Fraser. **39**

Conglomerates: *Splitting The Sum Back To Its Parts.* As far as market fashion is concerned, conglomerates are as out of style as miniskirts. In the Sixties, investors wanted to make a long-term bet on management; today, they want a short-term play on specific products and markets. So why not give it to them by splitting conglomerates into their "pure-play" subsidiaries and giving the stockholders several companies instead of one? There are some thorny problems involved, and by the time the dissection is completed, conglomerates may be back in fashion; but W.R. Grace's board is considering it. **43**

Collectibles: *Friends Of Financial History.* Save those old stock certificates, Mother. They might be worth as much as a Chinese Imperial bond. **78**

Education: *An Interview With John C. Sawhill.* New York University's president is on leave to be Deputy Secretary of Energy, but he hasn't abandoned his crusade to put traditional liberal arts curricula back into U.S. higher education. Corporations would benefit as much as any institution in the land, Sawhill argues, not only in competitiveness and productivity, but in profits. **81**

Technology: *Arco's Solar Chills.* Solar power may have a great future, but for Atlantic Richfield's solar-cell plant, the present can be pretty depressing. **84**

Investing: *Can Joe Really Walk On Water?* "This is no traditional brokerage house," says Joseph Offerman in his cramped offices in suburban Minneapolis. Indeed it isn't. Offerman & Co. sells bonds of weak, third-tier public companies to farmers, small-town merchants and retired people in rural America. His company will do $120 million in sales this year. The question is what his middle-American customers are getting for their money. **93**

Banks: *New Cheques For Old?* A phalanx of well-heeled northern European banks is set on challenging American Express' domination of the $35 billion traveler's check business. But it's easier to dream about dislodging a market leader than it is to do it. **104**

Banks: *A Man For Each Season.* In 1974, when Tom Wilcox took over San Francisco's Crocker National Corp., parent of the nation's 13th-largest bank, he found plenty of problems—to which he applied some painful solutions. Wilcox got rid of 1,500 employees, mostly from top and middle management, brought in scores of highly paid recruits from the big New York money-center banks and overhauled Crocker's entire branch banking system. Those tactics have paid off handsomely in near-doubling of return on both equity and assets. But now different tactics are called for. The man who will implement them is Wilcox' scheduled successor, John M. Place. **180**

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Economists: The world of John Kenneth Galbraith is full of wit, grace and clarity. Unfortunately, it's not real. **117**

Maxwell Street: It's besieged by urban renewal and cheap competition but Chicago's great ethnic outdoor bazaar endures. A picture essay. **175**

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The Census: Next year's billion-dollar headcount has some important political implications. **185**

Government: *Justice Delayed.* Twenty-one years ago the Navy began buying ball valves designed by tiny Jamesbury Corp. of Worcester, Mass. The valves were crucial to the construction of nuclear submarines. But rather than giving Jamesbury a citation, the Navy allowed other suppliers to jump the company's patent. Jamesbury has been suing the government since 1963, has won every round—but has yet to see a penny. **188**

Special Report
The Up-And-Comers

Yardsticks: *Many Are Called, A Few Chosen.* Here are more than 300 of the vigorous, fast-growing small companies from which Forbes selects its Up-And-Comers. None is a household name, none is on the Forbes 500—yet. **203**

The Money Men: *The Venture Capitalists.* William T. Comfort, Donald J. Sutherland and Richard M. Hexter are Wall Streeters who help small companies get to be Up-And-Comers. **216**

Companies: *"If You Think You're Right, Do It."* David A. Scheinman's father ran a grocery store, but Scheinman was an entrepreneur since he learned to read. Today he's an M.D. and president of fast-growing Quality Care, Inc. **233**

Investing: *The Holdouts.* So you don't tender and the takeover succeeds anyway. Now what? Usually, you might as well take the acquisitor's best offer. On the other hand, there's the strange story of Canadian Pacific and the Ontario & Quebec Railway Co. **236**

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A free economy has answers for those who say government must protect us from big business. Sometimes they are an investor's dream.

Many are called, and a few chosen

The Up-And-Comers

By Geoffrey Smith

On Wall Street they speak of "threshold companies" or of "emerging growth companies." We at Forbes prefer to call them "Up-And-Comers." They are too small for the Forbes 500 lists. But if they keep up the pace, some of them might make future Forbes 500 lists and a few might even become household names.

It's fashionable to groan about corporate concentration. But for every big company that disappears into a bigger company through merger, a couple of new ones come along and take its place.

Take Forbes' Annual Report on American Industry. To be listed last year a company needed minimum sales of $275 million. Yet there were 1,006 companies on the list. Can one call that concentrated power? Compared with government power or union power, corporate power seems quite diffuse.

Beyond these 1,006, there are thousands of businesses that, if not huge, are certainly substantial. There are roughly 3,000 public companies too small for Forbes' normal coverage. We have selected one in ten as our Up-And-Comers.

To begin with, we decided quite arbitrarily that a company over $100 million in sales had already "emerged" sufficiently to be a reasonably well-known entity. So it was excluded.

Here's what these under-$100-million outfits needed to be an Up-And-Comer:

To have performed at least as well as the top third of the largest U.S. corporations in our Annual Report on American Industry. In other words, a company had to have turned in an average of at least 15% a year in compounded earnings growth for the period 1974-78. *Plus:*

An average of at least 15% a year return on equity for those five years.

Any company that needed more than 50% long-term debt in its capital structure to do that was taken off the list as a bit too risky in these troubled times.

As a commentary on these statistics, on pages 216-229 Forbes talks to three top finance people who specialize in small to medium-size companies: Bill Comfort, chairman of Citicorp Venture Capital, who argues that Up-And-Comers are the very best inflation hedge; Dick Hexter, of "development bankers" Ardshiel Associates, who describes typical problems growing companies have in figuring their capital needs; and Don Sutherland of Quincy Partners, a private investing group that does leveraged buyouts on doggy little companies that then get resold at a substantial profit a few years later.

Finally, on page 233 we throw the spotlight on Up-And-Comer Quality Care, a very promising small company with a good idea almost anyone could have had, but not everyone could have implemented as shrewdly.

Helpful as these yardsticks may be, an Up-And-Comer can't be picked solely on the strength of such statistics. In one of the interviews that follow, Ardshiel's Dick Hexter puts it neatly: "You learn after you've been in this business awhile to stop investing in products and ideas, and invest only in people." Put it this way: The most important ingredient is the hardest to quantify.

Up-And-Comers class of '79

Over 300 small companies whose track records in growth and profitability over the past five years look promising.

Company	Principal business	Return on equity 5-year average	Return on equity latest 12 months	EPS 5-year growth rate	Net sales* (mil)	Net income* (mil)	Net profit margin*	Book value per share	Debt as % of book	Recent price	EPS last 12 months	P/E ratio
Key Pharmaceuticals	ethical pharmaceuticals	86.42%	58.82%	44%	$ 6.80	$ .65	9.55%	$ .34	30%	10	$ .20	50.0
Pepcom Inds	mfr, distributor soft drinks	73.43	34.16	23	62.42	5.95	9.53	7.61	25	14⅞	2.60	5.7
WD-40	aerosol lub/rust prevention	71.63	50.37	28	26.27	4.13	15.72	4.01	0	27¾	2.02	13.7
Adage	computer graphics terminals	68.21	23.27	35	7.42	.45	6.06	2.32	41	7¼	.54	13.4
Chemlawn	lawn & landscape care	63.85	44.75	32	63.65	3.24	5.09	3.53	100	40½	1.58	25.6
Semicon	semiconductor products	56.87	38.95	101	19.03	.93	4.88	1.72	78	6¾	.67	10.0
Rollins Burdick Hunt	insur brokerage & agency	53.35	35.79	19	56.48	8.22	14.55	6.23	0	22¼	2.23	9.9
Data Terminal Sys	terminals & control systems	52.80	38.47	94	69.35	13.98	20.15	7.98	3	40¾	3.07	13.2
CPT	word processing	51.44	21.36	30	33.60	3.51	10.44	6.32	25	27	1.35	20.0
Applied Digital Data	mfr computer terminals	50.28	14.49	17	45.52	6.55	14.38	7.45	0	7¼	1.08	6.7
West'n Marine Electron	marine sonar & indl equip	48.27	15.53	23	9.19	2.14	23.28	6.76	0	11¼	1.05	10.7
Quotron Systems	financial info services	47.89	26.23	137	39.38	4.47	11.35	5.45	66	17¾	1.43	12.4
Aztec Mfg	oilfield tubing, galvanizing	44.34	39.94	46	23.65	4.25	17.97	3.98	20	20¼	1.59	12.7
Hickory Farms Ohio	franchising spec food stores	43.86	29.11	19	33.38	3.03	9.07	4.74	14	12	1.38	8.6
Ingredient Technology	molasses; food ingredients	43.80	7.33	157	59.13	2.64	4.46	16.09	0	15	1.18	12.7
Standard Microsystem	semiconductors/circuits	43.54	31.84	111	11.37	2.18	19.17	2.01	10	11¼	.64	17.5
Dynatech	biomedical products	42.74	28.95	28	27.53	2.33	8.46	4.11	41	19	1.19	15.9
Kratos	spectrometers/instrument'n	42.18	42.42	64	33.81	2.10	6.21	3.63	56	12¾	1.54	8.2
Magma Power	geothermal steam/elec power	41.35	18.95	29	12.58	3.30	26.23	3.06	0	13⅞	.58	23.9
Altair	control sys; process equip	41.29	20.29	21	44.16	1.41	3.19	5.42	29	3⅝	1.10	3.2

*Latest fiscal year.

Up-And-Comers class of '79

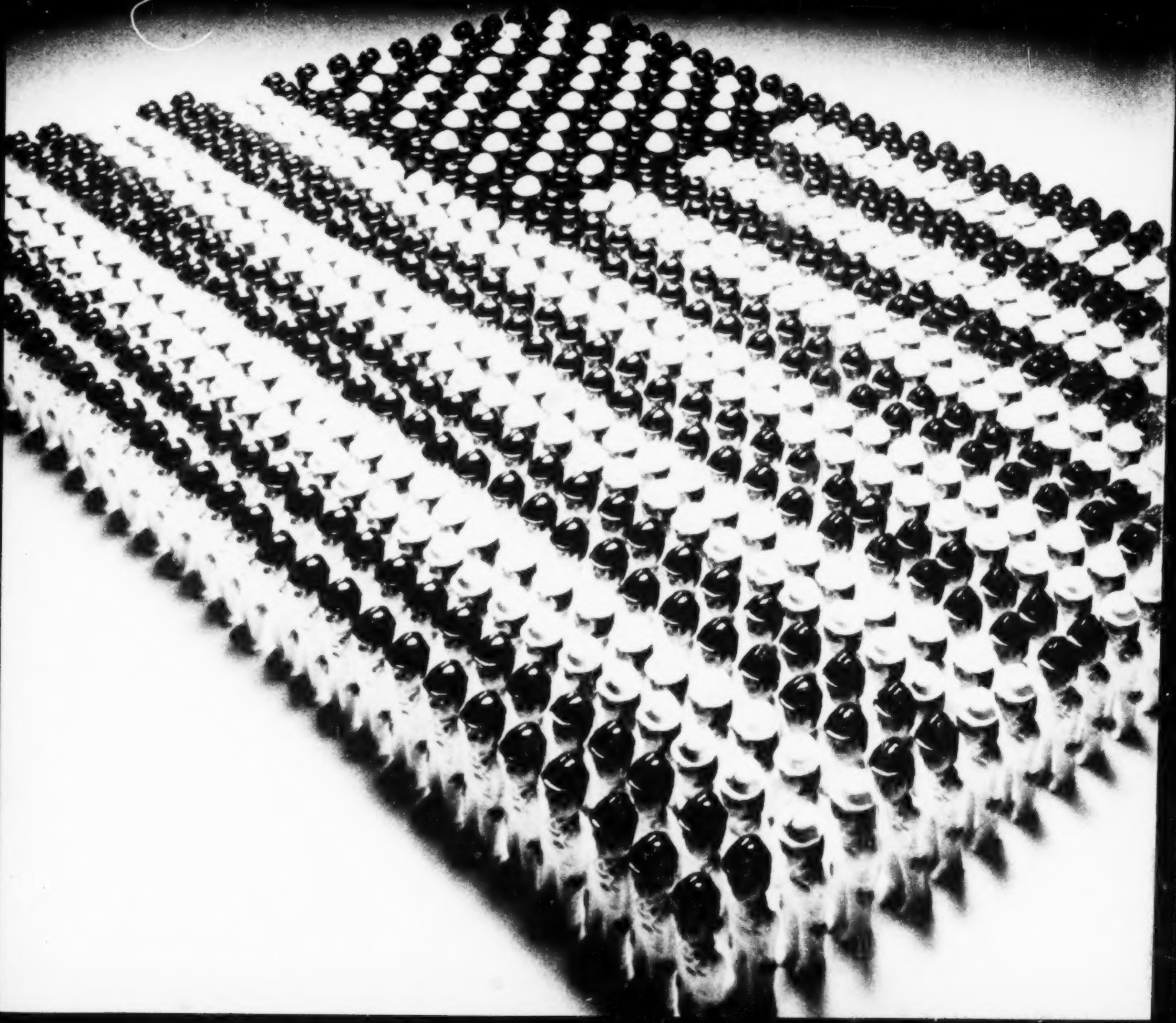
Company	Principal business	Return on equity 5-year average	Return on equity latest 12 months	EPS 5-year growth rate	Net sales* (mil)	Net income* (mil)	Net profit margin*	Book value per share	Debt as % of book	Recent price	EPS last 12 months	P/E ratio
Scripps-Howard Brdcst	radio & tv stations	41.06%	34.12%	18%	$65.34	$14.47	22.14%	$17.17	9%	53½	$5.86	9.1
Amer Appraisal Assoc	professional appraisal svc	40.46	23.52	121	41.92	1.36	3.24	2.21	0	6⅝	.52	12.2
Kennington, Ltd	shirt manufacturer	39.41	35.74	55	75.99	9.25	12.17	8.56	1	8¾	3.06	2.8
Automated Mktg Sys	marketing svc organization	38.86	29.94	28	26.46	1.65	6.23	7.38	0	10	2.21	4.5
Eldon Inds	soldering irons; desk access	38.55	25.17	26	36.52	1.89	5.17	7.11	37	7¾	1.79	4.3
Impell	consultant to nuclear ind	38.00	28.70	26	23.10	3.20	13.85	6.62	4	23¾	1.90	12.5
Dual Lite	emergency ltg/safety equip	37.77	24.78	21	33.29	3.85	11.56	6.86	24	9½	1.70	5.5
Tucker Drilling	contract drilling; oil/gas	37.41	26.36	33	16.24	1.86	11.45	3.49	37	11⅛	.92	12.2
Versa Technologies	silicone rubber, fluid pwr	37.37	24.38	21	16.74	1.73	10.33	6.07	17	10½	1.48	7.0
Marvin Josephson Assn	talent agency; tv prod; radio	36.31	63.43	86	37.65	5.23	13.89	3.20	14	13	2.03	6.4
SafeCard Services	credit card loss service	36.09	24.49	144	8.00	1.36	17.00	5.92	0	11¼	1.45	7.7
Cafeterias	operates cafeterias	35.69	24.42	33	77.90	6.51	8.35	7.37	25	22	1.80	12.2
Keystone Intl	butterfly valves, accessories	35.52	26.25	18	83.63	10.29	12.30	6.36	1	23½	1.67	14.0
Alico	Florida land, farm, cattle	34.64	43.32	52	16.10	5.51	34.22	6.07	35	27	2.63	10.2
Guaranty Natl	multiline insurance	34.63	32.81	65	27.76	4.82	17.36	7.71	1	14¾	2.53	5.8
AT Cross	fine writing instruments	33.91	29.09	24	73.30	11.39	15.53	10.62	0	31¼	3.09	10.1
Gray Communications	tv stations, newspapers	33.66	25.45	23	23.75	1.75	7.36	13.83	22	27	3.52	7.6
Pacesetter	residential improv prods	33.59	30.25	36	33.78	3.19	9.44	4.33	0	13¾	1.31	10.4
Manufact'g Data Sys	machine tool computer svc	33.42	26.13	45	28.62	3.26	11.39	5.05	0	27¾	1.32	21.0
Autotrol	water treatment control sys	32.76	17.30	63	34.38	2.99	8.69	6.82	95	15½	1.18	13.1
Alabama Tenn Nat Gas	natural gas pipeline sys	32.69	35.84	25	37.45	3.17	8.46	12.33	17	27¼	4.42	6.1
Great Lakes Chemicals	bromine & specialty chem	32.62	26.19	22	87.44	13.28	15.18	8.82	9	33⅛	2.31	14.3
Dranetz Engr Labs	mfr electronic test equip	32.15	41.05	103	8.40	1.11	13.21	2.46	5	10¾	1.01	10.6
Spectrum Control	electronic pollution control	32.01	23.84	17	6.78	.57	8.40	2.60	74	9	.62	14.5
Anacomp	computer services	31.92	41.22	46	38.12	2.65	6.95	2.28	81	18	.94	19.1
Plenum Publishing	publish journals, books	31.78	40.72	43	20.82	2.66	12.77	5.82	4	19½	2.37	8.2
Showboat	Las Vegas hotels, casinos	31.44	23.10	18	32.46	5.14	15.83	12.12	11	20	2.80	7.1
Atlantic Oil	metal casting; oil & gas	31.10	23.33	63	7.72	.59	7.64	1.50	37	6¾	.35	19.2
Physio Control	electronic medical instrum	30.67	29.37	30	28.16	2.58	9.16	7.25	15	33¾	2.13	15.8
Pic 'n' Save	"close out" mdse retail strs	30.54	24.28	36	63.36	6.92	10.92	6.30	5	15	1.53	9.8
Redken Labs	prof hair & skin care prods	30.44	18.44	18	65.04	4.41	6.78	10.41	39	11	1.92	5.7
Thetford	sanitation sys, rec veh	30.38	5.76	105	35.09	1.94	5.52	5.55	81	4½	.32	14.0
Molex	elec/electron devices	30.24	27.80	36	98.11	13.57	13.83	14.10	4	37¾	3.92	9.6
Woods Petroleum	oil/gas explor/production	29.90	18.19	17	33.09	11.48	34.69	10.55	17	33	1.92	17.1
Cedar Point	amusement park, hotel	29.84	23.41	16	53.88	9.49	17.61	12.90	12	26¾	3.02	8.8
Interface Mechanisms	mfr printing/reading sys	29.75	41.13	95	6.72	1.03	15.32	1.41	0	8⅜	.58	14.4
Applied Data Research	software development	29.73	17.80	56	22.63	1.98	8.74	5.56	39	9½	.99	9.5
Dome Mines Ltd	Canada gold mine	29.60	28.91	27	80.83	52.57	65.03	10.93	0	41¾	3.16	13.2
Nicolet Instrument	electronic measuring instr	29.55	24.89	21	34.46	2.77	8.03	4.74	54	17	1.18	14.4
T-Bar	data switch'g & control eq	29.45	32.74	41	12.67	1.10	8.68	3.97	40	19½	1.30	15.0
Sealed Air	packaging material	29.38	24.57	18	54.26	3.66	6.74	7.12	9	15½	1.75	8.8
Delhi Intl Oil	oil & gas expl and prod	29.26	17.30	33	12.65	3.66	28.93	5.26	83	21⅛	.91	23.2
Lawson Products	repair/replacement fasteners	29.05	20.99	15	63.03	6.08	9.64	9.48	0	23¼	1.99	11.6
Mite	fasteners; industrial prods	29.04	39.29	30	59.40	5.92	9.96	7.71	93	21⅛	3.03	6.9
Charming Shoppes	women's specialty stores	28.88	32.73	43	85.19	7.00	8.21	2.78	14	7⅜	.91	8.0
Varco Intl	oil & gas drilling tools/equip	28.68	19.71	16	50.63	4.66	9.20	11.16	64	24½	2.20	11.1
Statesman Group	insurance hldg co	28.33	25.94	31	66.16	4.16	6.28	5.05	58	5⅜	1.31	4.0
Valleylab	electrosurgical equip	28.33	17.14	28	15.28	1.28	8.37	3.85	36	10	.66	15.1
Carboline	protective coatings & linings	28.21	22.97	18	45.78	3.55	7.75	10.62	14	30	2.44	12.2
Golden West Homes	mfr mobile homes	28.16	19.35	118	80.08	3.36	4.19	7.75	23	9½	1.50	6.3
Health-Mor	vacuum cleaners; tubing	28.02	26.22	34	26.65	2.91	10.91	6.71	0	7⅝	1.76	4.3
Computer Network	time-sharing computer serv	27.66	17.07	111	21.01	1.51	7.18	4.86	26	4½	.83	5.4
Trico Inds	mfr oil production equip	27.62	17.89	25	63.10	2.96	4.69	5.70	55	10⅛	1.02	9.9
Security Amer Life	life insurance	27.56	24.17	22	35.56	3.61	10.15	7.61	9	17½	1.84	9.5
Neutrogena	mfr & dstr skin care prods	27.51	22.80	23	19.12	1.65	8.62	8.77	0	19	2.00	9.5
Gulf Energy & Dev	prod/dist natural gas; LPG	27.38	20.60	16	20.23	2.18	10.77	5.97	49	27	1.23	21.9
Waters Assoc	liquid chromatography sys	27.29	19.58	29	57.08	5.08	8.89	8.27	38	24¾	1.62	15.2
Aydin	microwave/data comm eq	27.21	19.08	19	47.44	2.68	5.64	7.23	6	17⅞	1.38	12.9
Gr Northern Iron Ore	lessor of iron ore mines	26.98	39.78	26	7.90	4.26	53.92	8.52	0	26½	3.39	7.8
CACI	management consultant	26.87	35.97	47	12.42	.54	4.34	2.78	0	5½	1.00	5.5
Flightsafety Intl	pilot training centers	26.77	23.16	28	30.45	6.66	21.87	5.44	16	25¼	1.26	20.0
Pic 'n Pay Stores	self-service shoe chain	26.75	20.47	18	84.80	5.46	6.43	8.89	24	12½	1.82	6.8
Comshare	time-sharing computer serv	26.70	30.25	31	52.98	4.37	8.24	4.33	51	15½	1.31	11.8
Brenco	bearings for RR freight cars	26.61	28.63	21	62.22	11.35	18.24	4.75	0	19	1.36	13.9
O'Sullivan	heels & soles; plastic parts	26.50	21.15	30	55.02	3.83	6.96	15.03	0	14⅛	3.18	4.4
Reliable Investors	finl holding co-insurance	26.27	22.55	43	25.97	[illegible]	15.71	11.35	27	12¼	2.56	4.7
Continuous Curve CL	soft lenses & ancillary prods	26.17	24.42	51	21.19	[illegible]	12.83	7.00	4	23	1.71	13.4

*Latest fiscal year.

Company	Principal business	Return on equity 5-year average	Return on equity latest 12 months	EPS 5-year growth rate	Net sales* (mil)	Net income* (mil)	Net profit margin*	Book value per share	Debt as % of book	Recent price	EPS last 12 months	P/E ratio
PBA	air freight forwarding	26.17%	49.73%	49%	$73.81	$ 2.54	3.44%	$ 3.78	0%	17	$1.88	9.0
Shared Medical Sys	computer serv for hospitals	26.06	26.00	39	63.05	8.60	13.63	6.19	2	28	1.61	17.3
Doyle Dane Bernbach	advertising agency	26.04	33.64	150	88.91	7.62	8.57	9.51	1	20½	3.20	6.4
Cyclotron	mfr compact cyclotrons	25.93	30.32	105	6.03	.64	10.61	2.77	6	11½	.84	13.6
JL Clark Mfg	containers; metal, plastics	25.92	26.64	20	92.50	11.10	12.00	10.66	5	28½	2.84	10.0
Kroy Inds	plastic molds & prods	25.89	32.04	50	39.87	2.89	7.24	6.99	55	22	2.24	9.8
Belco Pollution Control	air pollut control equip	25.85	26.62	38	29.54	.92	3.11	4.77	0	5¾	1.27	4.5
Augat	mfr of electronic components	25.75	22.76	26	78.96	9.39	11.89	6.94	10	24¼	1.58	15.3
Plantronics	mfr telecom eq; headsets	25.71	19.16	19	86.58	8.73	10.08	7.41	13	19¼	1.42	13.5
Struthers Wells	elec generating equip	25.40	21.95	18	50.29	1.39	2.76	4.60	34	18⅞	1.01	18.6
Amer Income Life Ins	life, accident, health ins	25.35	32.61	46	65.14	7.47	11.46	8.31	0	24¾	2.71	9.1
McRae Consol O&G	oil & gas; pipeline	25.21	23.98	35	68.86	7.53	10.93	5.17	22	26½	1.24	21.3
Genl Semiconductor	semiconductor devices	25.14	23.05	27	8.55	.97	11.34	4.12	27	10	.95	10.5
Sensormatic Electronics	electronic surveillance eq	25.14	31.69	50	27.56	4.43	16.07	5.08	17	21⅞	1.61	13.5
Solon Automated Svc	apt house coin-op laundry	25.05	21.42	23	57.70	5.01	8.68	8.73	84	6½	1.87	3.4
Progressive Corp	hi-risk insurance	25.01	22.56	31	95.69	8.51	8.89	15.29	63	19	3.45	5.5
Trus Joist	prefab joists for construction	24.90	27.95	43	78.42	5.56	7.09	6.01	20	19⅝	1.68	11.6
Fair Lanes	recreation, food, real estate	24.72	18.21	20	49.68	4.42	8.89	4.83	72	6⅝	.88	7.5
Data Card	plastic card embossing equip	24.37	21.28	31	44.41	3.94	8.87	7.00	40	19¼	1.49	12.9
JB's Big Boy Family	family-type restaurants	24.31	21.48	16	35.03	1.26	3.59	2.56	90	3⅜	.55	6.1
Gelman Sciences	lab diagnostic prods	24.21	20.87	22	34.38	1.83	5.32	5.46	65	20⅜	1.14	17.8
Porta Systems	mfr telecommns equip	23.90	13.04	108	15.08	1.75	11.60	12.42	0	8¾	1.62	5.4
American Precision Inds	pollution control prods	23.85	18.97	23	22.44	1.38	6.14	8.01	11	10	1.52	6.5
Analog Devices	electr measure/contr prods	23.85	21.97	28	66.15	4.49	6.78	5.87	63	20⅝	1.29	15.9
Chattem	proprietary prods & chems	23.77	19.36	20	62.23	3.08	4.94	6.66	92	7¼	1.29	5.6
Grey Advertising	advertising agency	23.73	27.70	48	76.30	5.44	7.12	33.60	2	35	9.31	3.7
On-Line Systems	time-sharing computer svc	23.72	18.10	17	29.25	2.19	7.48	9.17	51	23⅝	1.66	14.2
Jhirmack Enterprises	hair & skin care prods	23.69	26.81	80	21.57	3.66	16.96	5.11	3	10¼	1.37	7.4
Quaker Chemical	specialty chemical prods	23.64	20.99	21	76.13	7.87	10.33	20.39	0	30	4.28	7.0
TeleSciences	telecommunications equip	23.56	23.73	38	28.52	4.32	15.14	6.32	2	15⅜	1.50	10.2
CRS Group	architecture, engr, plans	23.47	16.66	17	50.58	2.85	5.63	12.06	6	11	2.01	5.4
Bolar Pharmaceutical	mfr generic drugs/vitamins	23.41	40.10	43	5.93	1.23	20.74	3.89	0	18	1.56	11.5
Computer Commns	mfr computer communic eq	23.39	10.07	38	18.65	.51	2.73	1.39	33	6⅜	.14	45.5
Penn Engr & Mfg	captive fasteners; motors	23.38	26.55	23	22.80	3.76	16.49	9.94	0	15½	2.64	5.8
Schaak Electronics	retail consumer electron	23.23	35.15	135	40.94	1.82	4.44	4.21	19	7	1.48	4.7
Community Psych Ctrs	oper psychiatric hospitals	23.12	28.77	34	32.92	4.88	14.82	7.02	46	23¾	2.02	11.7
John H Harland	print checks & deposit slips	23.09	20.51	19	75.27	7.37	9.79	14.62	0	31½	3.00	10.5
MTS Systems	mfr testing systems	23.07	22.01	36	44.96	3.54	7.87	11.40	43	27¼	2.51	10.8
National Gas & Oil	natural gas in Ohio	22.99	19.29	22	28.06	2.64	9.40	13.99	4	15¼	2.70	5.6
Simmonds Precision	measure, display, control sys	22.98	19.44	17	98.40	5.13	5.21	7.25	32	13¼	1.41	9.3
Fritzi Calif Mfg	women's sportswear	22.92	18.15	31	57.26	2.34	4.08	15.31	2	9¼	2.78	3.3
John Fluke Mfg	test/measure instrum/sys	22.86	21.11	27	79.49	6.80	8.55	6.82	25	20¾	1.44	14.4
Century 21 Real Estate	service to local brokers	22.83	68.25	107	36.52	5.35	14.64	2.52	0	26⅜	1.72	15.3
Data-Design Labs	engineering service/prods	22.78	24.04	20	45.25	1.88	4.15	5.99	77	10½	1.44	7.2
Emerson Radio	home entertainment equip	22.74	27.01	133	74.18	3.16	4.25	5.70	72	12¾	1.54	8.2
Southern Bancorp SC	bank hldg; South Carolina	22.64	26.01	27	41.10	4.33	10.53	9.11	35	9¾	2.37	4.1
Lindberg	heat treating of metals	22.63	24.71	17	57.76	4.13	7.15	6.19	33	11½	1.53	7.5
Natl Computer System	optical mark/read process	22.60	20.37	37	29.56	2.82	9.53	6.48	7	20¾	1.32	15.7
Sturm, Ruger & Co	pistols, revolvers & rifles	22.58	19.12	25	59.83	7.01	11.71	25.25	0	35½	4.83	7.3
Pato Cons Gold Dredg	mining—gold dredging	22.34	24.04	43	10.84	9.05	83.48	11.27	0	16¼	2.71	5.9
Preway	heaters, fireplaces, ranges	22.28	29.12	40	55.93	4.07	7.27	8.72	65	20¾	2.54	8.1
Tennant	indl sweepers & scrubbers	22.22	23.83	17	80.74	7.62	9.43	12.88	0	29½	3.07	9.6
Ambassador Group	insurance holding co	22.21	26.81	55	25.36	3.49	13.76	6.34	9	10¾	1.70	6.3
Allergan Pharmaceut	pharmaceuticals ophthalmic	22.13	24.90	119	62.37	9.44	15.13	10.08	17	27⅝	2.51	11.0
Merry Cos	mfr brick	22.02	29.28	171	31.24	3.66	11.71	10.45	79	11	3.06	3.5
Kent-Moore	mfr spec svc tools, equip	21.98	23.22	17	72.42	6.05	8.35	18.04	6	23	4.19	5.4
Zero	electronic packaging	21.94	22.36	23	56.56	3.82	6.75	9.97	57	20	2.23	8.9
Calif Microwave	telecomm & avionics equip	21.86	21.99	47	40.04	2.37	5.91	5.32	36	17	1.17	14.5
Chilton	consumer credit reporting	21.82	21.43	40	32.91	1.97	5.98	6.39	63	6⅛	1.37	4.4
Gross Telecasting	broadcast'g: tv, radio	21.81	24.03	21	9.70	2.47	25.46	13.94	0	23⅞	3.35	7.1
Evans-Aristocrat Inds	tapes, rules; billfolds, purses	21.76	23.07	29	19.01	2.62	13.78	7.54	0	14⅝	1.74	8.4
Intl General Inds	fabricated metal prod	21.74	29.49	22	98.16	10.22	10.41	22.82	54	28¾	6.73	4.2
Analogic	data conversion products	21.59	34.38	100	35.15	3.05	8.67	3.81	67	18½	1.31	14.1
Sigma-Aldrich	biochem & organic prods	21.45	19.18	15	67.84	9.24	13.62	12.72	0	35	2.44	14.3
Alpine Intl	mfr/broker veneer, plywood	21.38	20.25	101	33.89	1.20	3.54	2.37	69	1⅝	.48	3.3
Vernitron	healthcare & scientific prods	21.33	19.38	20	80.06	4.07	5.08	6.14	79	6½	1.19	5.4
Govt Services S&L	savings & loan, Maryland	21.31	18.92	140	28.45	2.61	9.17	13.90	28	7¼	2.63	2.7

*Latest fiscal year.

One Scottish industrial worker in six is paid in dollars and cents.



When Scottish industrial workers wave the flag, it's likely to be stars and stripes for about 15% of them. In fact, 95,000 Scots collect their pay from American companies. Multinationals like Cummins Engine, Polaroid and Motorola. Just three of the 200 U.S. companies making everything from cameras to chemicals, engines to advanced electronics. Grossing, last year, over $4 billion on their production. And with current Scottish expansion programs totalling over $350 million.

But there's plenty of room for more. With the resources and financial muscle to help incoming industry, the Scottish Development Agency can talk straight about your company's potential in Scotland. About land, finance, factories, labor, markets, energy, transport. Everything you need to make Scotland work for you. You don't have to be a giant to cash in on Scotland. We're as interested in smaller companies as we are in major corporations.

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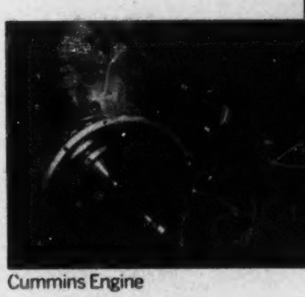
Scottish Development Agency


Cummins Engine

Polaroid

Motorola

Scotland-The strategic market base in Europe.

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"Nobody could galvanize just one side of a coil of steel efficiently—until Armco showed 'em how. So far, I've helped make 140,000 tons of it."

FOX
EARL MCGRAW

"Fox" McGraw, 62, operates a coating line in Armco's Middletown, Ohio, steel works.

"Fox" McGraw and Armco's Middletown Works "kiss coating" line crews solved a serious problem for the automotive industry. Galvanized steel fights rust in car bodies. But it's hard to paint. And it used to be all but impossible, economically, to galvanize one side of a coil of steel so you could paint the other side. Then in 1978, Armco research found a way. We've been finding new and better ways—patented products and processes—ever since Armco launched the American steel industry's first research lab in 1910. We've always been the leader in steel innovation, but now our research spreads far beyond steel—33 new patents, altogether, in 1978 alone. Most of them can be used in more than one Armco market. Innovation isn't the only way to measure an industrial company. But it's one good way. Armco has more.

Armco. General Offices, Middletown, Ohio 45043.

ARMCO

Up-And-Comers class of '79

Company	Principal business	Return on equity		EPS 5-year growth rate	Net sales* (mil)	Net income* (mil)	Net profit margin*	Book value per share	Debt as % of book	Recent price	EPS last 12 months	P/E ratio
		5-year average	latest 12 months									
Scope Inds	waste recycl'g; beauty sch	21.30%	12.34%	36%	$20.31	$ 2.55	$12.55	$43.10	3%	42¾	$5.32	8.0
Shop & Go	convenience food stores	21.18	24.39	22	94.37	3.09	3.27	8.69	38	12¾	2.12	6.0
Security-Conn Life	life, health, credit ins	21.15	24.36	40	53.33	7.92	14.85	12.52	0	41	3.05	13.4
Elias Bros Restaurants	restaurants; concessionaire	21.01	18.58	22	52.15	2.14	4.10	5.81	81	5	1.08	4.6
Jamesbury	ball valves, control devices	20.95	19.47	19	77.74	5.31	6.83	8.06	35	15½	1.57	9.8
Peerless Chain	automotive & indl chain	20.85	24.56	22	32.26	4.07	12.61	10.95	1	14½	2.69	5.3
Great American Inds	rubber & recreation prods	20.80	15.33	15	99.28	2.94	2.96	12.91	63	7⅞	1.98	3.9
Ore Portland Cement	portland cement, limestone	20.80	23.43	38	45.60	6.85	15.02	34.95	89	60	8.19	7.3
Petroleum Equip Tools	rent tools & drill pipe	20.72	28.05	76	37.81	6.16	16.29	6.13	61	21	1.72	12.2
Sierra Research	mfr & ser computer sys	20.69	20.17	16	28.95	.99	3.41	8.23	33	10⅝	1.66	6.4
Frank's Nursery	garden supply retailer	20.66	18.20	18	84.57	3.21	3.79	8.35	98	9⅛	1.52	6.0
Winn's Stores	retail variety stores, Texas	20.65	18.14	16	73.13	4.81	6.57	11.13	0	17¾	2.02	8.7
Newport Electronics	mfr electronics instrum	20.63	22.65	41	9.13	.62	6.79	3.09	11	6½	.70	9.2
Shopsmith	power woodworking tools	20.61	54.76	68	16.07	.74	4.60	1.68	34	6¾	.92	7.3
Preferred Risk Life	life ins-nondrinkers	20.55	18.23	16	15.02	3.22	21.43	14.48	0	19¾	2.64	7.4
Redcor	electronic parts mfr	20.55	28.21	56	16.04	1.74	10.84	4.43	3	16¾	1.25	13.4
Computer Products	mfr electronic equip	20.52	19.71	44	10.58	1.15	10.86	2.84	0	9⅝	.56	17.1
Hunt Mfg	art & office supplies	20.32	19.22	17	43.31	2.70	6.23	10.56	17	18⅛	2.03	8.9
Pioneer Std Electronics	dstr electronic components	20.31	20.08	20	66.73	2.82	4.22	8.91	7	14	1.79	7.8
Paul Mueller	stainless steel equip	20.29	16.74	16	47.33	4.43	9.35	21.86	0	27	3.66	7.3
Southwestern Energy	integrated natural gas util	20.26	20.73	15	33.50	7.10	21.19	8.15	36	24½	1.69	14.4
Cascade	hydraulic equipment	20.25	26.73	33	78.91	5.75	7.28	36.69	38	33	9.81	3.3
Transport Life Ins	life, accident, health ins	20.12	23.19	31	73.14	6.02	8.23	9.27	49	14½	2.15	6.7
Calprop	home development; rentals	20.00	48.01	131	10.05	1.20	11.94	3.02	0	4⅝	1.45	3.1
National Education	correspondence schools	19.91	23.10	99	26.25	2.36	8.99	7.14	27	10	1.65	6.0
Van Dusen Air	wholesale aviation parts	19.89	18.72	19	89.71	3.08	3.43	8.65	61	14¾	1.62	9.1
Instrumentation Lab	biomedical/scient instrum	19.87	21.45	49	87.87	5.51	6.27	9.09	36	15¼	1.95	7.8
Chem-Nuclear Sys	nuclear/indl waste sys	19.82	32.00	65	25.70	3.00	11.67	4.53	23	19½	1.45	13.4
Park Chemical	auto & indl chemical items	19.81	23.11	16	15.36	.89	5.79	12.89	1	15	2.98	5.0
Farinon	microwave radio, multiplex	19.78	15.81	16	92.77	5.68	6.12	7.08	32	13½	1.12	12.0
MacDermid	indust'l metal finish'g chem	19.73	20.60	23	49.06	4.80	9.78	11.21	0	16¾	2.31	7.2
Daniel Woodhead	electrical specialty prods	19.66	17.06	18	36.51	3.16	8.65	5.86	8	12¾	1.00	12.7
Ohio-Sealy Mattress	mattresses & box springs	19.65	18.80	15	46.91	3.31	7.05	7.34	8	12	1.38	8.6
Boothe Financial	computer leasing	19.62	13.82	167	21.92	6.83	31.15	24.45	41	15½	3.38	4.5
Cobe Laboratories	specialized medical equip	19.61	14.96	26	62.80	3.94	6.27	15.24	44	25¼	2.28	11.0
Globe Life & Accident	health & life ins	19.61	17.79	19	91.15	15.04	16.50	15.57	5	24½	2.77	8.8
Apogee Enterprises	auto glass; alum window	19.58	25.05	25	74.21	2.48	3.34	4.75	66	10	1.19	8.4
Veeco Instruments	power supply products & comp	19.51	26.81	48	61.31	7.10	11.58	11.04	13	37⅛	[illegible]	12.5
New Penn Motor Exp	trucking-genl commodities	19.50	21.09	17	31.54	2.80	8.87	14.08	14	12⅛	[illegible]	4.1
New England Nuclear	radioactive chemicals	19.47	16.56	24	65.83	8.02	12.18	7.85	8	25⅛	[illegible]	19.3
Precision Castparts	complex investment casting	19.43	20.02	15	54.56	1.95	3.57	8.89	26	17⅜	[illegible]	9.7
Pacific Scientific	aircraft safety restraint equip	19.40	22.07	58	31.76	4.08	12.84	8.38	5	12	1.85	6.4
Amer Med Bldgs	devel medical bldgs/clinics	19.37	20.52	108	22.37	2.39	10.68	3.02	96	10	.62	16.1
Gorman-Rupp	large, small pump products	19.36	19.32	17	53.18	4.93	9.27	15.52	0	23½	3.00	7.8
TEC	data entry; visual display	19.36	15.27	17	16.20	.83	5.12	6.61	41	7⅛	1.01	7.0
Lawter Chemicals	printing ink vehicles, resins	19.35	23.95	16	57.71	9.75	16.89	3.84	2	11⅜	.92	12.3
Avantek	electron communication eq	19.34	27.04	36	25.07	2.38	9.49	7.10	5	36¼	1.92	18.8
Spectra-Physics	gas lasers & accessories	19.32	23.51	33	66.09	5.51	8.33	7.57	19	29⅜	1.78	16.5
Detrex Chemical Inds	chemical specialties	19.18	21.75	21	66.77	3.30	4.94	26.25	7	29	5.71	5.0
Acme Electric	power conversion equip	19.17	13.85	25	43.38	1.99	4.58	5.34	22	5½	.74	7.4
University Patents	bath & area rugs	19.16	6.97	42	11.77	.42	3.56	2.15	21	10	.15	66.6
North Atlantic Inds	electronic eq for mfrs & sys	19.11	31.51	120	12.03	.60	4.98	2.38	74	6	.75	8.0
Perry Drug Stores	drug chain, Michigan	19.04	14.62	35	89.16	2.10	2.35	10.46	44	8½	1.53	5.5
Superior Inds Intl	custom auto accessories	18.94	21.35	69	86.98	5.15	5.92	8.10	40	7⅛	1.73	4.1
Ransburg	electrostatic coating	18.89	19.77	18	71.36	7.68	10.76	21.79	16	34	4.31	7.8
Jensen Inds	household appliances	18.87	20.14	82	21.41	2.56	11.95	7.05	0	5	1.42	3.5
Realist	photofinishing, microfilm	18.77	13.30	33	17.37	.77	4.43	13.08	61	7⅝	1.74	4.4
Research	contr instrum't; htg; telecom	18.69	16.62	25	14.22	1.02	7.17	7.82	0	7½	1.30	5.7
Electro-Nite	measure temp molten metal	18.61	25.89	41	20.84	2.24	10.74	8.34	21	15⅞	2.16	7.3
Ennis Business Forms	business forms, paper items	18.60	22.40	24	68.61	3.87	5.64	10.58	27	16½	2.37	6.9
Walbro	mfr carburetors, pumps	18.58	16.68	19	33.10	1.30	3.92	10.73	16	8½	1.79	4.7
Dreyfus	manage/distrib Dreyfus Fund	18.56	26.21	34	25.07	3.55	14.16	10.26	1	17⅞	2.69	6.6
Bristol Products	mfr/distr plumbing supplies	18.54	17.56	39	75.27	3.90	5.18	9.11	61	5	1.60	3.1
Canadian Cablesystem	CATV; tv; int/movie chain	18.54	17.28	16	35.76	9.89	27.65	6.77	21	14⅛	1.17	12.0
Amer States Life Ins	life insurance	18.51	16.13	16	29.62	4.98	16.81	14.69	0	20	2.37	8.4
Magnetic Controls	telecommunications equip	18.51	35.93	52	25.34	.95	3.74	6.40	38	19	2.30	8.2

*Latest fiscal year.

When you're in a lot and business is terrific,

Business *is* good. In 1978 our earnings passed the $200 million mark. And operating income for the first half of 1979 was $117.6 million, an increase of 13% over the same period last year. We expect 1979 to be another record year for Transamerica.

Along with profits come dividends. Shareholders who have maintained their investment in Transamerica have enjoyed dividend increases in each of the past 18 years. Our current rate is $1.12 per share; in the past three years we've raised the dividend rate by 69.7%.

And, with an average return on equity (after tax) of more than 19%, Transamerica is among the leading U.S. companies in terms of return on shareholders' investment.

Yes, business is *very* good. And one important reason is the businesses we're in. Here's a brief look at three of them.

Occidental Life

Occidental Life Insurance Company of California, our major life and health insurance subsidiary, pioneered in marketing affordable term insurance almost 50 years ago. Term insurance gives value-conscious families maximum protection per premium dollar, and is a highly attractive form of insurance in these inflationary times. Nearly 75% of Occidental's ordinary life insurance in force is term, against an industry figure of 33%. In addition to a full line of ordinary life insurance products, Occidental offers a complete line of group life and health insurance coverage.

In the insurance business, as in others, one of the hallmarks of leadership is innovation—the ability to foresee changing customer needs and develop products that respond to them. Throughout its history, Occidental Life has been attuned to the marketplace. As an anticipator, not an imitator.

In term insurance, for example, Occidental is *the* innovative company. And always has been. A good example is Adjustable Term, which combines maximum protection when needs are greatest with flexibility to change type and amount of protection as needs change.

Occidental's innovative approach extends to the pension area, too. In recognition of the special requirements of this field, Occidental was the first life insurer to establish a company devoted exclusively to the sale, servicing and administration of pension business: Transamerica Life and Annuity.

Occidental is also a leading group insurer, and pioneered offering its policyholders with group medical coverage a comprehensive medical rehabilitation program for seriously disabled employees.

There are more than 1800 life and health insurers in North America. Among them, Occidental ranks ninth in life insurance in force—now over $60 billion.

With a highly professional field force of agents and brokers in the United States and Canada, Occidental has developed one of the most effective distribution networks of any life insurer.

Occidental's earnings performance was at an all-time high for the first six months of 1979. Life and health insurance contributed $38.9 million or 33.1% of our six-month operating income, providing a strong, conservative foundation for all our operations.

Transamerica Delaval

Transamerica Delaval, formerly Delaval Turbine, got started in 1893, when Swedish scientist Dr. Carl Gustav Patrik De Laval exhibited the first commercial steam turbine at the Chicago World's Fair. Three-

# of terrific businesses, that's Transamerica.

quarters of a century later, Transamerica Delaval is a leader in the manufacture of precision-engineered products that put energy to work. Diesel engines. Advanced-design turbines. Compressors. Condensers. Pumps. Component equipment like sensors, controls and connectors. For a broad spectrum of industries—including petrochemical, utilities, aerospace.

The whole world uses Transamerica Delaval products. Transamerica Delaval equipment pumps peanut butter in a Chicago factory. Operates stage elevators at the Metropolitan Opera House. Supports an ammonia plant in the People's Republic of China. Recent new orders include centrifugal compressors and steam turbine drivers for the Mexican petrochemical industry; steam propulsion and turbine generator sets for LASH vessels; diesel engines for an Alaska power plant; and solar-powered level controls for chemical-carrying river barges.

Recognized internationally for quality, reliability, and trouble-free performance, Transamerica Delaval's products are top-line. And its bottom line is top-line, too. The company achieved record earnings for the first six months of this year. And its 1978 return on equity was 23.7%, almost double the industry median.

Transamerica Title

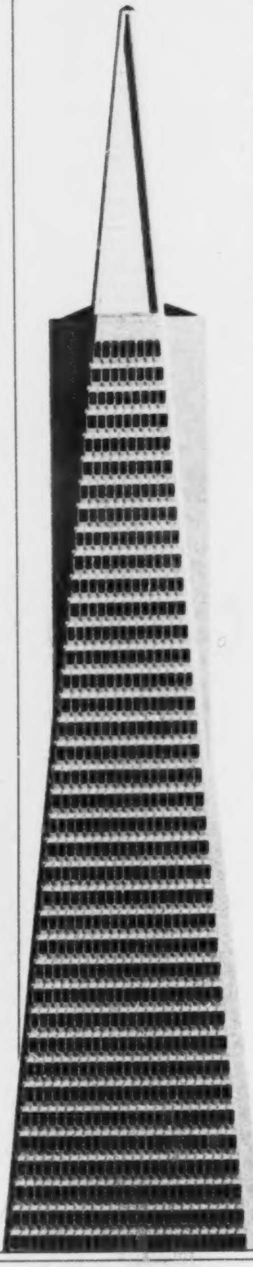
With decades of experience and some 400 offices, Transamerica Title Insurance Company is staffed and organized to serve the needs of real estate professionals as well as buyers and sellers. With maximum efficiency. At reasonable cost.

Transamerica Title offers both title insurance and escrow services under one roof. As a result, the customer enjoys faster, more efficient service and saves money on closing costs.

Transamerica Title insures single family residences and giant commercial projects—such as the Los Angeles Convention Center and Embarcadero Center in San Francisco. The company has pioneered the development of standardized ways to perform the repetitive operations involved in title insurance and escrow transactions. Many routine operations are handled in central offices that serve an entire region, which also results in faster, more uniform service and decreased cost.

Transamerica Title has developed a highly automated paper flow system, using computers to issue title insurance policies and process the closing of real estate transactions. The result is speed, accuracy and a highly professional product.

Transamerica Title is one of the strongest and most consistent performers in the title field. It's also an industry leader in return on equity.



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Transamerica is in many different businesses. Insurance. Entertainment. Air travel. Rental cars. Consumer lending. Manufacturing. All our companies have common goals. Industry leadership, in terms of operating efficiency and ROE. Industry leadership in customer satisfaction: providing good service at prices that make sense.

That's Transamerica's business philosophy. And it works. For our customers and for our shareholders.

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Up-And-Comers class of '79

Company	Principal business	Return on equity 5-year average	Return on equity latest 12 months	EPS 5-year growth rate	Net sales* (mil)	Net income* (mil)	Net profit margin*	Book value per share	Debt as % of book	Recent price	EPS last 12 months	P/E ratio
Flexsteel Inds	upholstered furniture	18.34%	16.21%	25%	$96.45	$4.43	4.59%	$13.88	27%	11¼	$2.25	5.0
Moore Products	measure/control instruments	18.34	19.04	17	38.54	4.21	10.92	12.81	0	20¾	2.44	8.5
Palmer G Lewis	building material distributor	18.17	17.52	23	94.18	1.98	2.10	8.73	71	10¾	1.53	7.0
SGL Inds	energy conversion products	18.13	17.14	20	48.02	2.25	4.68	10.56	13	10⅞	1.81	6.0
Tokheim	retail gas station equip	18.11	20.85	47	82.08	6.07	7.39	10.55	23	16⅞	2.20	7.6
United Fire & Cas	fire/casualty ins; life	17.99	22.04	34	42.20	4.65	11.01	15.42	3	23¼	3.40	6.8
Webb	magazine publish; genl print	17.96	16.67	17	89.15	4.03	4.52	16.43	86	16	2.74	5.8
Finnigan	spectrometer systems	17.93	22.83	34	29.99	1.68	5.60	5.43	17	14½	1.24	11.6
Country Miss	women's casual apparel	17.79	26.58	28	30.87	1.13	3.66	8.20	30	4⅞	2.18	2.2
Intl R & D	safety eval: drugs, chemicals	17.75	21.24	45	12.40	1.87	15.08	2.73	80	10	.58	17.2
Penril	elec test'g eq; data commun	17.70	28.34	34	14.05	1.18	8.39	3.74	86	9⅝	1.06	9.1
Bowne & Co	finance/corporate printing	17.66	17.03	23	70.72	5.44	7.69	17.08	1	22½	2.91	7.7
Gateway Inds	auto seat belts	17.66	14.53	123	52.36	2.48	4.73	13.90	26	8½	2.02	4.2
Logicon	automation by computer	17.64	15.21	15	43.60	1.46	3.34	11.24	0	14⅝	1.71	8.5
King Radio	aviation commun equip	17.59	26.66	40	79.88	7.17	8.97	12.90	3	19⅛	3.44	5.5
Tenney Engineering	environmental test equip	17.47	25.33	68	9.14	.53	5.79	2.25	85	4¼	.57	7.4
Natl Life Florida	life, accident, annuity ins	17.34	26.94	43	60.29	3.11	5.15	6.31	56	10	1.70	5.8
Slater Electric	electrical wiring devices	17.32	16.26	26	36.70	2.33	6.34	16.97	34	7¾	2.76	2.8
Vishay Intertech	electronic resistive systems	17.32	21.29	21	30.41	3.01	9.89	6.20	35	7⅞	1.32	5.9
House of Ronnie	mfr lingerie & sportswear	17.28	20.12	23	50.21	3.00	5.97	8.20	8	6⅜	1.65	3.8
Papercraft	gift wrap, tape & adhesive	17.23	18.92	16	80.99	9.17	11.32	15.48	30	20	2.93	6.8
Petro Development	explore, develop, prod'n oil	17.23	22.03	82	12.12	2.11	17.40	1.18	71	4⅝	.26	17.7
Dynamics Research	precision measuring instr	17.09	20.26	34	20.82	.82	3.93	8.93	0	7⅜	1.81	4.0
Acme General	door hardware systems	17.06	20.42	26	40.80	2.67	6.54	10.43	11	10¼	2.13	4.8
Three D Depts	leased dry good departments	17.01	17.68	51	25.43	1.40	5.50	6.05	1	4½	1.07	4.2
Conner Homes	mobile home mfr	16.97	30.38	63	38.75	2.22	5.72	7.24	34	12⅛	2.20	5.5
Natl Security Insur	full line of insurance	16.97	19.34	36	21.67	2.93	13.52	17.68	0	11¼	3.42	3.2
Page Airways	airplane sales & svcs	16.93	18.48	30	72.53	2.71	3.73	16.12	0	13½	2.98	4.5
Frigitronics	eyeglass lenses	16.83	22.81	26	79.89	4.02	5.03	5.61	54	11½	1.28	8.9
North Canadian Oils	oil/gas prodn; pipeline	16.81	15.02	24	19.13	5.27	27.54	5.79	70	14⅞	.87	17.0
Stewart Information	title insurance	16.80	19.67	184	61.67	6.35	10.29	29.33	21	23¾	5.77	4.1
Frequency Sources	mfr electr comp; research	16.77	18.68	46	17.41	1.00	5.74	3.64	24	10⅜	.68	15.2
Dunkin' Donuts	donut shops; franchising	16.76	16.05	25	57.10	3.76	6.58	12.33	74	10¾	1.98	5.4
Ziegler	invest banking, financing	16.70	11.50	36	22.43	4.55	20.28	9.91	25	5⅞	1.14	5.1
Brooks & Perkins	air cargo/ind mtl hdlg eq	16.68	17.65	22	56.64	1.85	3.26	8.61	29	12	1.52	7.8
Cornelius	beverage/food dispensers	16.67	20.84	39	93.36	4.44	4.75	11.08	96	17	2.31	7.3
Security Bancorp	bank holding co	16.66	18.73	18	61.45	7.55	12.28	20.76	27	18½	3.89	4.7
Sykes Datatronics	data storage systems	16.56	22.59	71	6.55	.51	7.78	2.39	54	16¼	.54	30.0
Wavetek	electronic test instrument	16.55	17.20	25	25.67	1.61	6.27	7.44	6	13¼	1.28	10.3
United Aircraft Prods	aircraft engine components	16.52	19.70	21	16.04	1.77	11.03	9.44	0	15⅞	1.86	8.5
Piper, Jaffray	regional securities firm	16.42	15.17	16	44.54	3.22	7.22	17.86	6	15	2.71	5.5
Numac Oil & Gas	Canada oil/gas; field const	16.38	18.72	35	11.19	6.61	59.07	4.22	12	34¾	.79	43.9
Binney & Smith	art materials; wax crayons	16.32	19.00	23	75.00	6.69	8.92	11.05	29	22⅝	2.10	10.7
Oakwood Homes	mobile home mfr/retailer	16.30	17.51	22	45.00	2.75	6.11	13.02	10	14½	2.28	6.3
Timberland Industries	wood and building products	16.25	13.87	32	93.35	1.27	1.36	6.99	24	6½	.97	6.7
Concept	mfr med & surgical prods	16.21	14.93	21	8.61	.83	9.63	2.21	0	6¼	.33	18.9
Canadian Merrill Ltd	oil & gas; copper mining	16.20	11.23	33	21.32	2.26	10.60	8.37	73	19¼	.94	20.4
Gilford Instr Lab	spectrophotometers	16.13	10.72	18	31.46	1.66	5.27	9.42	16	11½	1.01	11.3
Telerent Leasing	leases TV, elec eq to instit	16.13	17.67	17	8.56	1.47	17.17	5.60	97	5⅝	.99	5.6
DAB Inds	engine components	16.12	14.38	25	53.66	2.83	5.27	15.29	2	8¼	2.20	3.7
Central Natl Finl	life, health, accident ins	16.11	26.56	62	21.69	1.60	7.37	7.19	0	7¼	1.91	3.7
Amer Guaranty Finl	ins/other finl svc	16.08	16.32	28	25.17	2.69	10.68	6.80	69	6¾	1.11	6.0
Lydall	specialty papers & packaging	16.07	16.12	21	91.74	3.26	3.55	10.11	73	9⅝	1.63	5.9
RG Barry	slippers, comfort footwear	16.06	17.49	24	85.85	3.88	4.51	6.86	87	8	1.20	6.6
Tremco	bldg maint & constr prods	16.05	17.78	21	91.34	6.10	6.67	14.00	8	0	2.49	0
Andersen Group	high precision delay lines	16.00	19.40	119	19.24	.81	4.20	6.08	74	6¾	1.18	5.7
Fab Inds	mfr fabrics, knits, laces	15.99	26.92	63	83.85	6.86	8.18	13.00	2	11	3.50	3.1
Amer Indem/Finl	property & casualty ins	15.98	17.87	38	69.09	5.45	7.88	22.66	6	17¾	4.05	4.3
Colonial Life & Acc	personal accident ins	15.97	18.21	26	78.33	11.55	14.74	14.44	0	15½	2.63	5.8
Anderson Inds	steel fabrication	15.92	18.89	20	34.22	1.99	5.81	5.08	10	4⅞	.96	5.0
Woodstream	sporting equip-tackle, boat	15.88	17.22	16	42.48	2.09	4.91	12.19	47	9⅜	2.10	4.4
Altamil	truck hdware, boxes, forging	15.83	19.81	48	74.04	3.60	4.86	14.84	21	14¼	2.94	4.8
Analysts Intl	computer program'g svcs	15.83	22.54	23	12.30	.49	3.98	2.44	8	4½	.55	8.1
Callon Petroleum	domestic prodr, oil & gas	15.75	17.26	61	7.31	1.55	21.20	2.49	25	7	.43	16.2
CSE	civil svc ins holding co	15.73	17.96	19	49.82	3.85	7.72	21.21	0	22¾	3.81	5.9
Allen Organ	mfr electronic organs	15.72	14.44	27	15.16	1.92	12.66	20.90	0	17	3.02	5.6
Raymond	electric lift trucks	15.66	18.03	27	76.86	4.65	6.04	18.19	32	20½	3.28	6.2
Big Drum	pack'g prods; sugar cones	15.62	13.80	15	32.65	2.28	6.98	12.82	25	11	1.77	6.2
Tab Products	office/computer access eq	15.60	17.52	18	68.18	2.57	3.76	13.01	47	15	2.28	6.5
Aero-Flow Dynamics	marine, industrial distrib	15.58	15.61	47	61.42	2.29	3.72	21.13	13	17⅜	3.30	5.2

*Latest fiscal year.

A lad's playtime is often a mirror of the grown-up world.

This youngster's toy loading system duplicates in miniature a function basic to the productive life of our entire society: the mass movement and handling of materials.

FMC is in it for real. Our material handling systems and power transmission equipment are operating all over the world. Moving chemicals, coal, ores, petroleum, appliances, parts, foods, even air cargoes. Raw products and finished products. Up and down mountains, on and off production lines, in and out of freight terminals.

It would be hard to find a product you use for which FMC equipment has not performed, at some point or other, a conveying or handling function.

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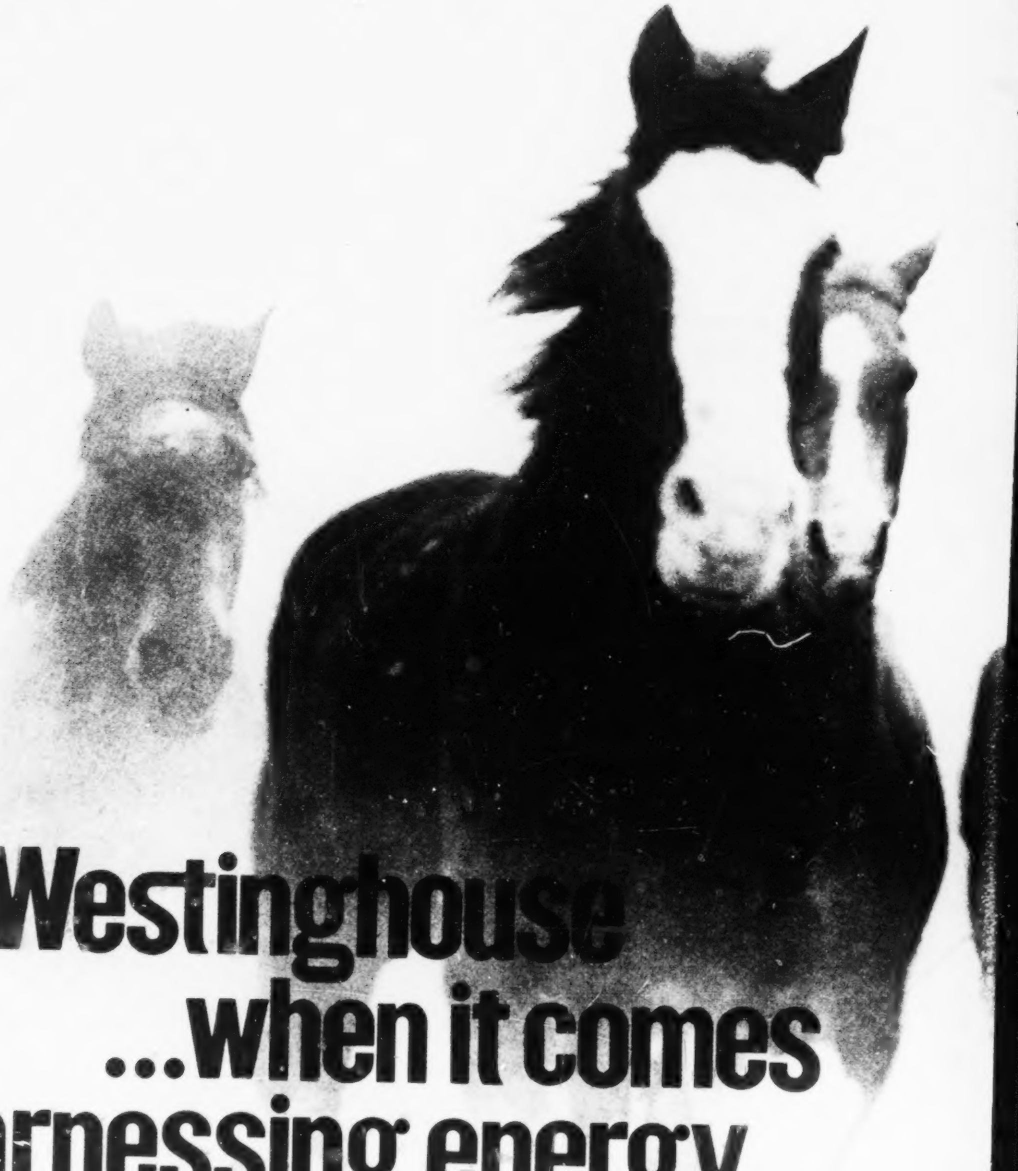


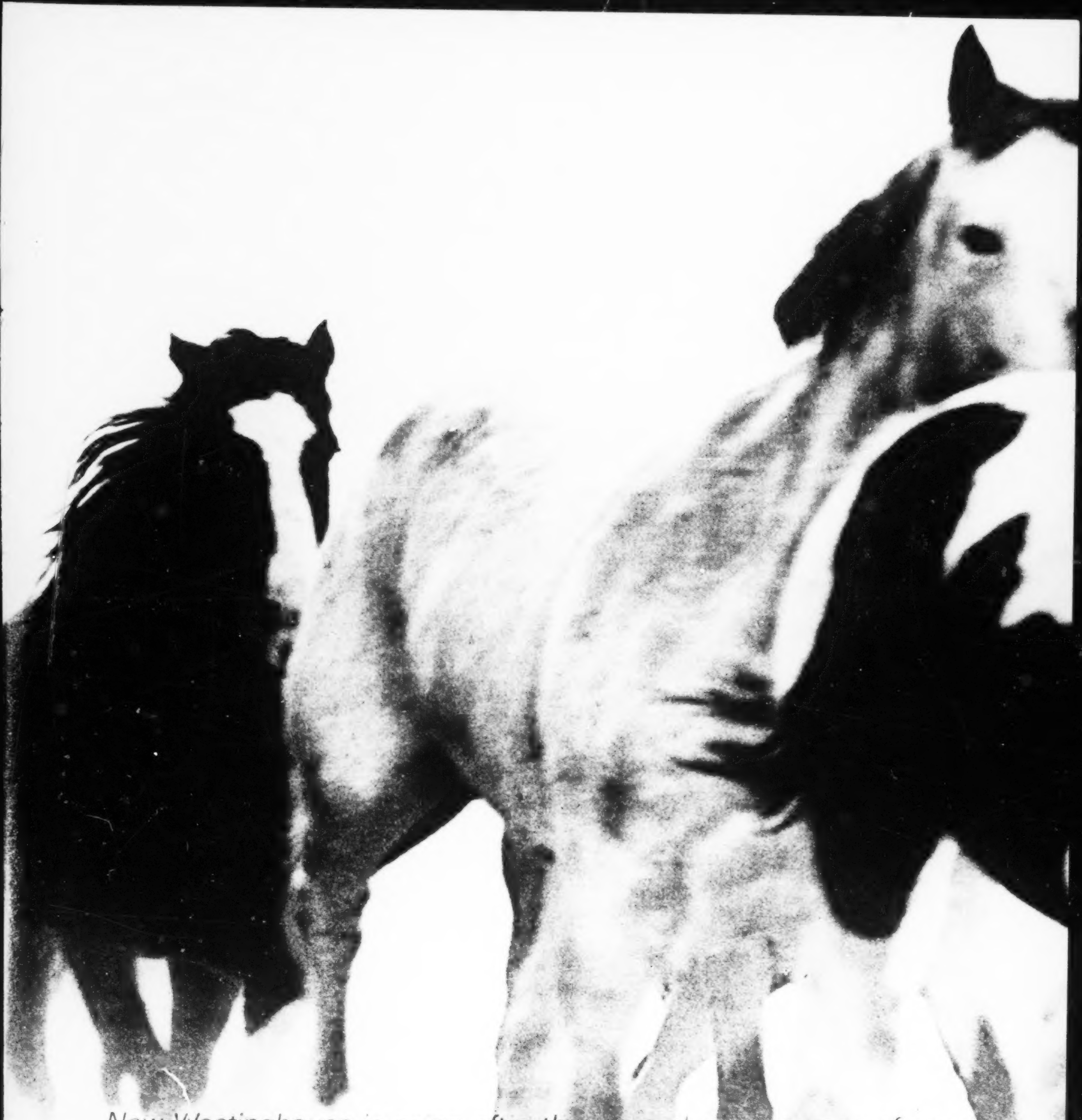
Westinghouse ...when it comes to harnessing energy

The sources of energy are like a herd of wild horses. Some, like oil, water, coal, gas and the atom have already been captured, tamed and harnessed.

For nearly 100 years, Westinghouse has been helping to put energy sources to work to generate electrical power.

But our expertise in working with electricity only begins with generation.

For years we've been a leader in the distribution, transmission and utilization of energy for industry and home.



Now Westinghouse is going after the more elusive sources of energy like solar, fusion, ocean-thermal and wind.

Until we can capture the sun's energy, until we can harness the heat of the earth, we can count on a team of reliables to keep us supplied with electric power: coal, oil, and conventional nuclear energy.

Westinghouse

A powerful part of your life.

Up-And-Comers class of '79

Company	Principal business	Return on equity 5-year average	Return on equity latest 12 months	EPS 5-year growth rate	Net sales* (mil)	Net income* (mil)	Net profit margin*	Book value per share	Debt as % of book	Recent price	EPS last 12 months	P/E ratio
Galaxy Carpet Mills	mfr & distrib tufted carpets	15.57%	13.45%	41%	$90.79	$ 3.55	3.91%	$7.43	79%	5⅝	$1.00	5.6
Barry Wright	data center equip	15.51	21.39	28	70.44	5.02	7.12	8.18	5	17¾	1.75	10.1
Buffalo Forge	blower/fan/pump/mach tools	15.48	13.63	28	96.22	5.10	5.30	33.14	18	33½	4.52	7.4
Super Dollar Stores	retail discount stores	15.46	19.91	65	43.75	1.18	2.69	6.98	56	4¾	1.39	3.4
Brooks-Scanlon	mfr & sale of lumber	15.45	13.01	19	96.66	9.79	10.12	26.90	2	36	3.50	10.2
Technitrol	electronic/mech products	15.45	13.82	22	27.06	1.36	5.02	8.03	0	5	1.11	4.5
Olsten	provide temp work forces	15.39	22.99	49	61.62	2.23	3.61	5.35	3	7⅛	1.23	5.8
SCI Systems	electronic prod/sys	15.37	9.03	29	36.77	1.41	3.83	9.08	21	9⅝	.82	11.8
Bancwest	bank hldg, San Jose, Calif	15.26	17.13	15	46.65	4.49	9.62	22.53	56	40	3.86	10.3
Allright Auto Parks	operates parking facilities	15.23	15.87	20	68.37	4.65	6.80	11.21	36	16⅛	1.78	9.0
Heilig-Meyers	retail furniture stores	15.22	14.57	19	70.40	4.43	6.29	10.98	54	7¾	1.60	4.8
United Guaranty	mortgage guaranty insurance	15.20	19.34	69	39.17	13.74	35.07	15.82	19	25½	3.06	8.3
Monarch Machine Tool	lathes for metal-wkg indy	15.18	16.54	15	78.70	5.39	6.84	20.73	1	15½	3.43	4.5
Acme United	shears, scissors, medic equip	15.17	17.15	20	26.75	1.77	6.61	5.83	70	13⅛	1.00	13.1
Knogo	electronic detector systems	15.17	16.49	59	11.22	1.90	16.93	8.73	2	17¼	1.44	11.9
Alpha Inds	microwave comp., & devices	15.14	24.29	131	16.37	1.33	8.12	4.94	22	14	1.20	11.6
Schwab Safe	mfr safes, record protection	15.06	18.32	37	8.74	.57	6.52	5.62	8	7	1.03	6.7
Hansen Mfg	mfr fluid line couplings	15.04	19.86	23	17.23	1.71	9.92	16.26	0	31	3.23	9.5
Lazare Kaplan Intl	cutter/merchant diamonds	15.02	14.12	83	40.14	3.45	8.59	16.57	0	12¾	2.34	5.4
Products Research	sealants, coatings, spec chem	15.02	13.13	15	56.64	2.68	4.73	6.85	26	11⅜	.90	12.5

*Latest fiscal year.
Source: Standard & Poor's.

"Buy brains," suggests Chairman William T. Comfort, of Citicorp Venture Capital Ltd.

Moneyman Bill Comfort

"Best inflation hedge of all"

The Up-And-Comers

THERE'S MY FATHER-IN-LAW sitting in municipals . . . *dumbest* thing he could be doing!" says Citicorp Venture Capital Ltd. Chairman William T. Comfort with a crisp, cheery audacity that reflects a happy blend of Oklahoma and Wall Street. "He should be in these small growth companies. When you can buy a growth company at 10 to 12 times earnings, and those earnings are growing at 25% to 50% a year, you can't find a better hedge against inflation! People ask, do I buy gold? do I buy land? Buy brains! There is nothing better than buying brilliant human minds who are able to cope as the economy changes."

Comfort, one of the blithe spirits of the financial community, likes to behave as if banking were a hugely enjoyable battle of wits, and is admittedly biased. He is in the business of selecting which "brilliant human minds" will get backing from Citicorp's venture capital arm. Formed in 1968, its portfolio is worth in excess of $120 million in the current market on the strength of investments in companies like James River Corp. of Virginia, Datapoint Corp. and Federal Express Corp. and has put $28 million into new investments so far this year. This is the biggest Small Business Investment Co. (SBIC) in the country. At 42, Comfort is an experienced investment banker, with 6 years at Citicorp after 12 at W.E. Hutton & Co., now part of Thomson McKinnon Securities Inc.

"Everyone has made so much money in these small companies," says Comfort. "Just look at all the new partnerships that have come into existence. My predecessors here—three guys named Welch, Carson and Barth—went out on their own and raised $33 million from pension funds, bank trust departments and corporations last year. One of our fellows on the coast left, started his own venture group and raised $20 million. There's no money crunch in venture capital, and there won't be for some time. If anything, there's too much money chasing too few deals. And you'd expect that, because where else can you do better for your customers?"

Five years ago they weren't singing so happy a tune in venture capital. Many banks rushed into venture capital when they were permitted their own SBICs in 1968. Burned, many of them pulled out with heavy losses following the oil embargo. "In 1973-74 it looked as if the house was coming down in this business," says Comfort. "The only thing wrong with their strategy, aside from making too many investments with too little homework, was that they started when the price/earnings multiples were too high."

Don't go into small growth companies if you get stomach palpitations at breakfast reading that the stock market is off

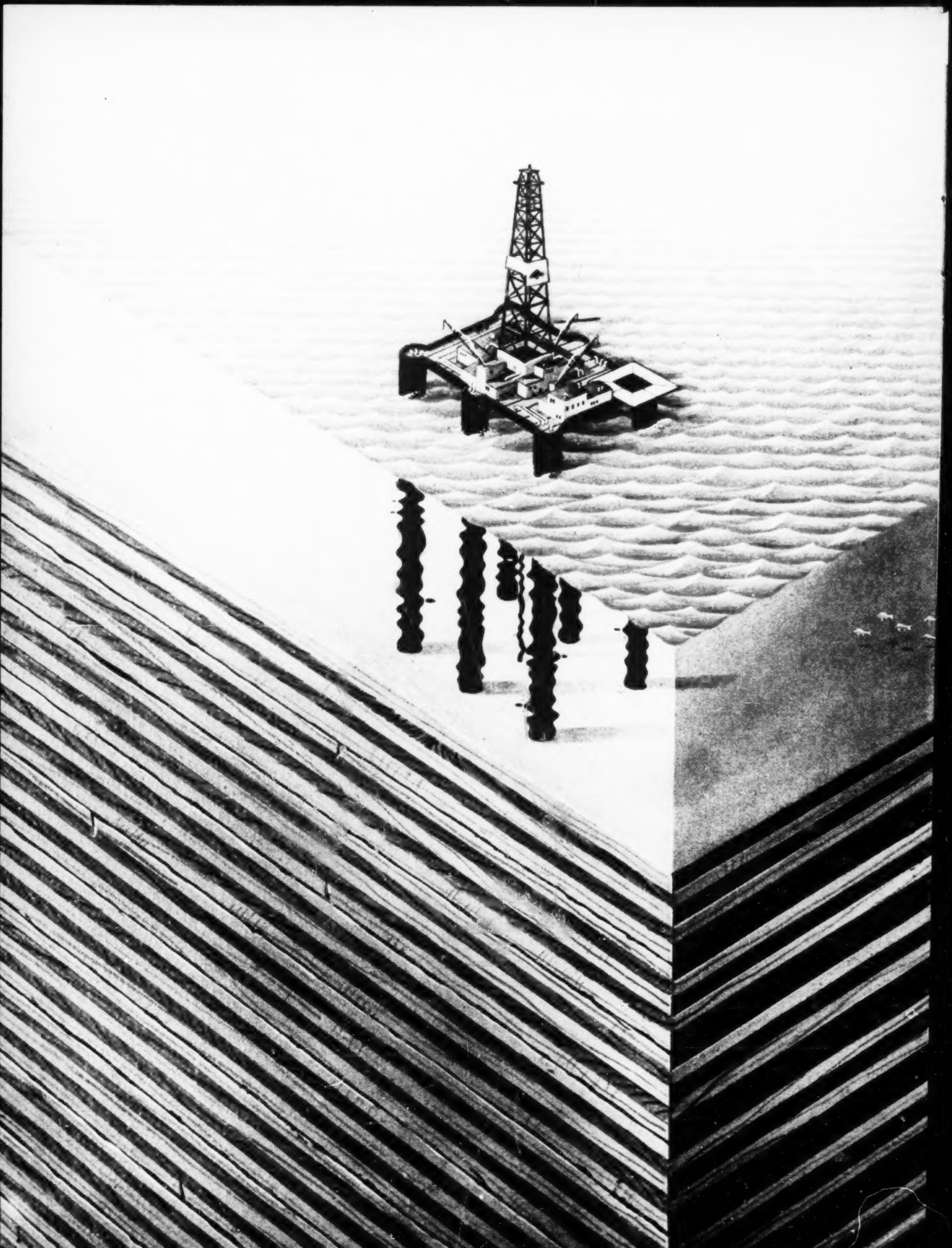
Rising stars

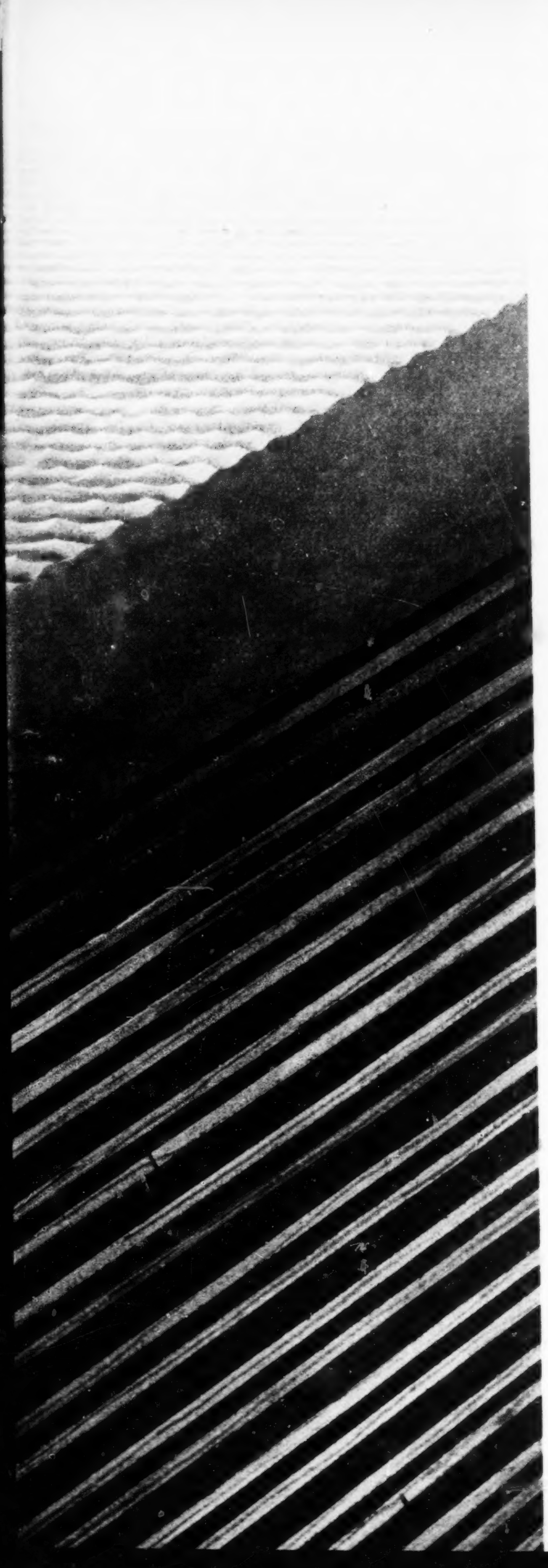
Companies for which Wall Street predicts at least 25% growth in earnings per share in 1980 above 1979.

Company	Recent price	Fiscal year ends	Earnings per share 1978*	IBES† estimates 1979*	IBES† estimates 1980*	Increase of 1980 over 1979	P/E based on 1980	Percentage variation in earnings estimates‡ 1979	Percentage variation in earnings estimates‡ 1980
Coachmen Inds	6	Dec	$ 2.29	$0.07	$1.12	1388.89%	5.26	1126.78%	39.12%
UAL	24¾	Dec	11.93	0.45	5.12	1031.35	4.89	446.03	30.17
Metpath	26⅛	Sept	1.75	0.98	2.29	133.68	11.60	11.74	17.96
Santa Fe Intl	32⅝	Dec	2.67	1.29	2.98	130.53	10.96	73.17	15.36
Bally Mfg	34⅝	Dec	1.28	1.56	3.37	116.27	10.84	8.87	9.84
AM Intl	16¼	July	2.54	1.15	2.48	115.11	6.69	44.60	22.26
American Quasar Petroleum	26½	Dec	0.33	0.45	0.95	111.11	26.58	67.28	50.21
Combustion Equip Assoc	10¾	Mar	–0.72	0.47	0.95	102.56	11.45	42.13	18.98
Inco Ltd	22⅝	Dec	0.77	1.13	2.07	82.72	11.17	53.12	33.45
Fotomat	7¼	Jan	0.77	0.42	0.75	77.08	10.38	45.01	18.40
Tom Brown	26	Mar	0.01	0.56	0.98	74.81	27.46	22.22	28.00
Jonathan Logan	12¼	Dec	1.77	1.36	2.15	57.93	5.69	30.22	41.89
AE Staley Mfg	30½	Sept	1.26	1.90	2.97	56.43	9.67	5.95	12.84
Cray Research	42¾	Dec	0.65	2.27	3.50	54.23	12.64	20.50	14.29
Amdahl	18⅞	Dec	2.86	1.52	2.32	52.99	8.89	27.55	44.94
Westmoreland Coal	28½	Dec	0.20	1.27	1.92	50.59	14.71	15.27	23.75
GCA	39½	Dec	1.40	2.32	3.47	49.46	10.76	5.12	11.84
Forest Oil	24	Dec	1.29	1.19	1.73	46.25	13.26	7.28	14.31
Gearhart-Owen Inds	44	Jan	2.13	2.37	3.44	45.12	13.09	8.05	6.35
Envirotech	19	Mar	1.48	1.49	2.12	42.72	8.94	13.41	17.72
Wang Labs	24⅛	June	0.69	1.17	1.65	42.64	15.14	2.68	6.73
Waters Assoc	25¼	Dec	1.57	1.82	2.52	38.92	9.91	9.47	15.36
Ocean Drilling & Expl	68¾	Dec	2.23	3.74	5.19	38.88	13.10	14.20	16.19
Mark Controls	13⅞	Dec	0.93	1.24	1.70	37.49	8.24	16.73	5.10
SCA Services	8½	Mar	0.70	1.00	1.36	36.00	6.25	5.00	6.58
Transcon Lines	8¾	Dec	1.70	1.11	1.50	35.34	6.58	31.31	15.15
Prime Computer	18½	Dec	0.73	1.24	1.67	35.00	10.91	2.80	6.60
National Semiconductor	32½	May	2.57	3.05	4.11	34.87	7.66	13.21	25.20
Polaroid	28⅛	Dec	3.60	2.65	3.56	34.43	8.01	21.67	13.72
Grumman	19⅝	Dec	2.28	2.28	3.05	33.66	6.55	9.96	24.67
Varian Assoc	25¼	Sept	1.49	2.12	2.83	33.56	9.26	25.38	9.90
Dataproducts	17⅜	Mar	1.85	1.75	2.34	33.20	7.59	8.72	14.66
Humana	34½	Aug	1.51	2.61	3.47	32.93	9.70	3.61	3.78
Watkins-Johnson	26¼	Dec	0.70	2.65	3.51	32.55	7.54	6.35	7.91
Sony	7¾	Oct	0.61	0.61	0.81	32.43	10.03	19.36	10.14
Computervision	41	Dec	1.03	1.95	2.58	32.31	15.12	2.56	3.24
Storage Technology	18	Dec	1.14	1.71	2.25	31.79	8.04	2.52	7.95
First Pennsylvania	13⅛	Dec	2.13	1.81	2.39	31.72	5.50	4.09	4.32
TelePrompTer	18½	Dec	0.76	1.21	1.59	31.40	11.40	6.79	8.44
Victoria Station	15¾	Mar	1.13	1.19	1.57	31.34	10.53	19.42	25.80
Noble Affiliates	38¼	Dec	1.78	2.09	2.75	31.07	13.88	3.58	11.42
Western Co-NA	46	Dec	2.98	3.67	4.79	30.73	9.99	2.97	7.52
Data Terminal Sys	44⅛	Jan	2.91	3.63	4.72	30.12	9.66	6.37	14.75
Copeland	21½	Sept	2.90	2.46	3.19	29.97	6.89	9.40	8.33
Newpark Resources	16⅝	Dec	1.33	1.49	1.92	29.48	9.16	4.94	9.77
Coherent	24¼	Sept	1.01	1.62	2.09	29.07	11.24	7.64	5.91
Sherwin-Williams	27	Dec	0.67	2.62	3.38	28.98	7.96	21.16	30.54
Rowan Cos	32	Dec	1.94	2.31	2.98	28.68	11.00	3.96	6.20
Yellow Freight Sys	18½	Dec	2.73	2.30	2.96	28.63	6.49	15.01	14.03
Wyman-Gordon	28½	Dec	3.05	2.75	3.53	28.48	8.07	6.47	7.36
Viacom Intl	32	Dec	1.95	2.56	3.28	28.31	9.68	5.25	4.28
Fleetwood Enterprises	9¼	Apr	2.01	0.92	1.18	28.27	8.03	37.69	19.97
Lockheed Corp	25⅝	Dec	3.81	3.27	4.18	27.92	6.13	6.24	10.79
Allied Chemical	45⅞	Dec	4.25	5.02	6.40	27.46	7.26	13.48	18.69
Pneumo	31⅝	Nov	2.26	3.06	3.89	27.22	8.13	2.89	6.21
US Surgical	25⅛	Dec	1.01	1.35	1.72	27.22	14.97	0.33	3.31
Research-Cottrell	15⅝	Oct	2.15	1.73	2.20	27.12	7.09	3.22	8.02
Lanier Business Prods	38¾	May	2.14	2.80	3.55	26.96	11.43	1.75	6.91
Manufacturing Data Sys	30½	Aug	1.08	1.40	1.77	26.66	17.32	0.26	1.54
Grantree	8	Oct	0.86	0.89	1.13	26.63	7.06	9.85	11.10

*For fiscal years ending June through May of the following year. †See source. ‡Percentage range around the average in which two-thirds of analysts' estimates fall. The lower the percentage, the greater the agreement among analysts.

Source: Institutional Brokers Estimate System; Lynch Jones & Ryan.





We're going to sea for plywood.

To make plywood, you need some things that aren't found in the forest. That's why Georgia-Pacific is drilling deep at sea, and at dozens of land locations.

We're looking for natural gas. And we're turning it into a whole chain of chemicals. The kind we need to make the resins that hold our plywood together.

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And since we built our plants to world scale, we've also become a major competitor in the chemical industry.

The same kind of thinking has led us to produce the chemicals we need for our pulp and paper operations by taking advantage of our huge deposits of salt.

It's the simplest kind of vertical integration. And while it's not common in the forest products industry, it's one of the ways our growth will continue.

Because at Georgia-Pacific, we learned a long time ago that to profit from what flourishes above the ground, we must take full advantage of what lies deep beneath it.

Georgia-Pacific
The Growth Company

For more information, write "Chemicals" c/o Director Financial Communications, Dept. F 11, 900 S.W. 5th Ave., Portland, OR 97204.

Rising stars

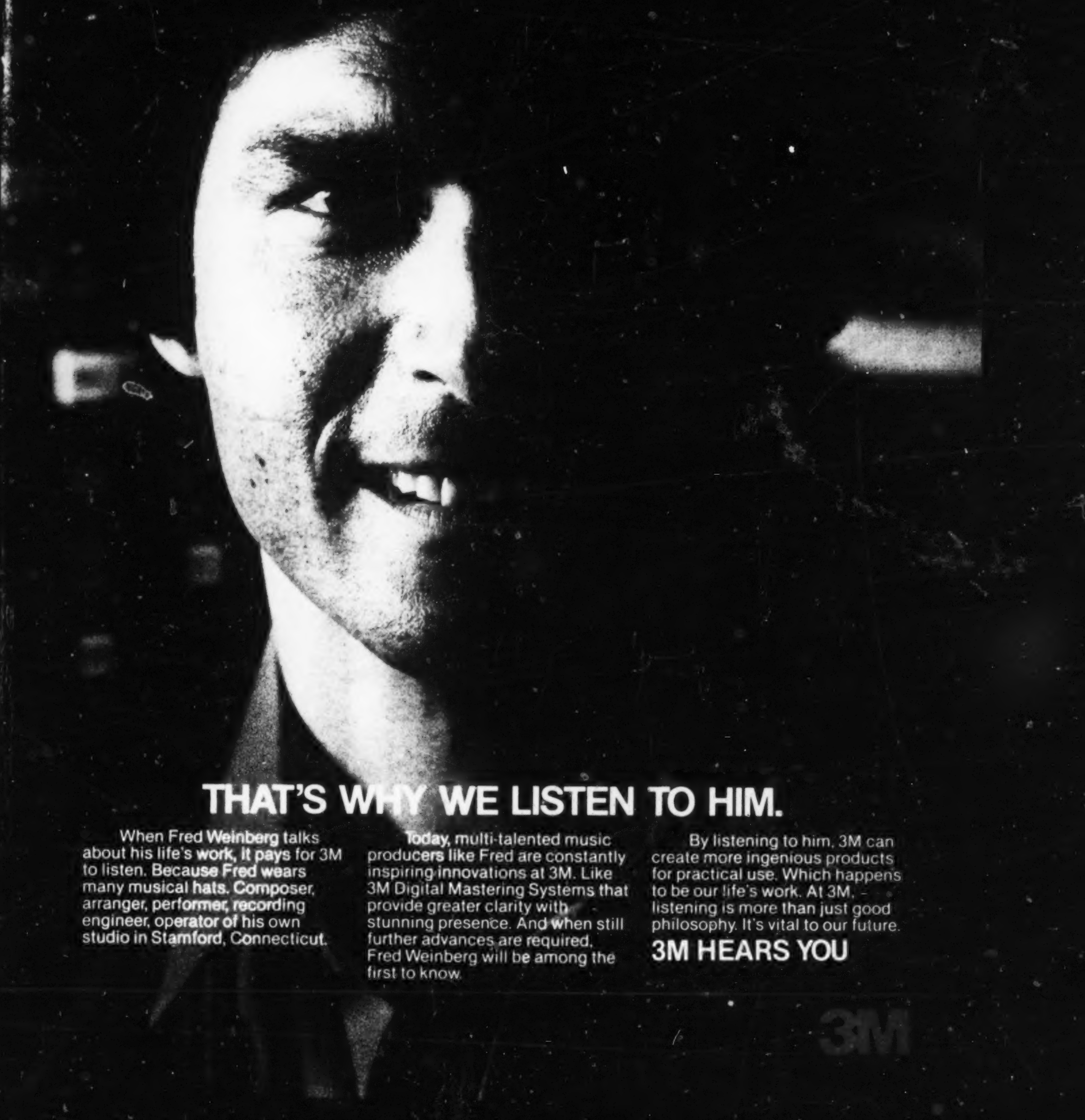
Company	Recent price	Fiscal year ends	Earnings per share 1978*	IBES† estimates 1979*	IBES† estimates 1980*	Increase of 1980 over 1979	P/E based on 1980	Percentage variation in earnings estimates‡ 1979	Percentage variation in earnings estimates‡ 1980
Certain-teed	18⅞	Dec	$ 3.19	$ 2.05	$ 2.59	26.48%	7.23	27.70%	30.74%
Sea Containers	17½	Dec	3.48	3.72	4.70	26.31	3.85	10.84	6.83
Texas Intl Airlines	10	Dec	1.32	1.52	1.91	25.89	5.49	15.51	21.92
Cross & Trecker	22⅜	Sept	2.10	2.92	3.67	25.64	6.13	3.97	9.01
Federal Natl Mtg Assn	17	Dec	3.47	2.70	3.39	25.53	5.02	4.13	11.71
TeleSciences	16½	Dec	1.35	1.67	2.10	25.37	7.86	7.11	11.17
Plantronics	20½	May	1.39	1.65	2.07	25.25	9.86	5.67	5.59
Archer-Daniels-Midland	24½	June	1.63	2.63	3.29	25.22	7.49	10.22	7.17
Cluett Peabody	9⅞	Dec	1.91	1.89	2.37	25.17	4.17	4.43	14.38
Rolm	34⅝	June	1.50	2.19	2.73	25.02	13.26	8.32	11.18
Wendy's Intl	13¾	Dec	1.66	1.97	2.46	25.00	6.04	4.52	8.85

Big stars

For most of the 30 Dow Jones industrial stocks, 1980 will not be a year of dynamic growth in earnings.

Company	Recent price	Fiscal year ends	Earnings per share 1978*	IBES† estimates 1979*	IBES† estimates 1980*	Increase of 1980 over 1979	P/E based on 1980	Percentage variation in earnings estimates‡ 1979	Percentage variation in earnings estimates‡ 1980
Allied Chemical	45⅞	Dec	$ 4.25	$ 5.02	$ 6.40	27.46%	7.26	13.48%	18.69%
Aluminum Co Amer	58	Dec	8.66	12.19	9.69	–20.51	6.14	7.70	19.83
American Brands	65½	Dec	7.93	9.79	10.48	7.06	6.15	5.04	2.48
American Can	38	Dec	6.05	6.63	6.83	3.06	5.71	1.70	6.42
American Tel & Tel	55	Dec	7.74	7.98	8.18	2.55	6.77	1.47	2.92
Bethlehem Steel	24⅜	Dec	5.15	6.43	5.27	–18.10	4.81	4.93	7.10
EI Du Pont de Nemours	42⅛	Dec	5.39	5.87	5.55	–5.40	7.86	3.68	7.78
Eastman Kodak	53	Dec	5.59	6.21	6.86	10.48	7.77	3.28	3.74
Exxon	60¼	Dec	6.20	8.35	8.61	3.12	6.70	4.53	7.20
General Electric	51¼	Dec	5.39	6.09	6.43	5.62	8.01	2.14	2.57
General Foods	36½	Mar	4.65	5.21	5.70	9.44	6.38	1.60	2.46
General Motors	63¼	Dec	12.24	10.86	9.50	–12.49	6.70	8.75	13.89
Goodyear Tire & Rubber	15⅛	Dec	3.12	2.63	2.76	4.60	5.49	11.94	11.49
Inco Ltd	22¾	Dec	0.77	1.13	2.07	82.72	11.17	53.12	33.45
Intl Business Machines	67⅜	Dec	5.32	5.42	6.30	16.31	10.89	3.30	3.92
International Harvester	40¾	Oct	6.14	9.77	8.60	–11.93	4.72	9.44	17.05
International Paper	42	Dec	4.94	6.33	5.81	–8.25	7.31	3.76	10.90
Johns-Manville Corp	24¾	Dec	5.62	4.56	4.68	2.60	5.40	10.53	11.14
Merck	69¾	Dec	4.07	4.94	5.72	15.78	12.31	1.10	3.19
Minn Mining & Mfg	51½	Dec	4.83	5.39	5.77	6.91	8.93	1.43	3.98
Owens-Illinois	20⅝	Dec	3.44	3.81	3.94	3.30	5.46	4.97	7.01
Procter & Gamble	78⅝	June	6.99	7.66	8.52	11.27	9.21	0.89	1.26
Sears, Roebuck	19⅝	Jan	2.86	2.80	3.02	7.92	6.42	3.79	4.99
Standard Oil Co Calif	58¾	Dec	6.48	8.62	8.81	2.31	6.61	7.09	6.28
Texaco	31¼	Dec	3.14	4.91	4.88	–0.64	6.35	6.24	7.84
Union Carbide Corp	43⅛	Dec	6.09	7.42	6.82	–7.96	6.37	6.05	7.68
US Steel	23¾	Dec	2.85	4.31	4.14	–3.86	5.88	9.72	13.55
United Technologies	41¾	Dec	4.76	5.59	6.23	11.33	6.74	2.82	1.75
Westinghouse Elec	20	Dec	3.59	3.74	4.27	14.01	4.83	5.46	5.10
FW Woolworth	30¾	Jan	4.34	4.58	5.14	12.20	6.05	7.00	11.46
Dow Jones industrials			108.25	125.76	127.63				

*For fiscal years ending June through May of the following year. †See source. ‡Percentage range around the average in which two-thirds of analysts' estimates fell. The lower the percentage, the greater the agreement among analysts.
Source: Institutional Brokers Estimate System; Lynch Jones & Ryan.



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Falling stars

The analysts believe that these 118 companies will have lower earnings in 1980 than in 1979. Escalating fuel costs have landed airlines on the top of the list.

Company	Recent price	Fiscal year ends	Earnings per share: 1978*	Earnings per share: IBES† estimates 1979*	Earnings per share: IBES† estimates 1980*	Decrease of 1980 over 1979	P/E based on 1980	Percentage variation in earnings estimates‡ 1979	Percentage variation in earnings estimates‡ 1980
American Airlines	12	Dec	$ 4.00	$ 3.16	$ 1.83	–42.00%	6.42	23.94%	45.90%
Trans World	24⅜	Dec	4.20	3.78	2.60	–31.20	9.75	20.18	39.19
Republic Steel	29⅝	Dec	6.86	8.39	6.08	–27.60	5.04	5.58	11.28
LTV	8⅞	Dec	1.49	2.67	1.99	–25.70	4.53	29.18	14.87
United States Gypsum	35⅝	Dec	6.37	7.27	5.49	–24.51	6.74	4.86	14.25
Eastern Air Lines	7⅝	Dec	2.91	1.79	1.38	–22.65	5.51	19.53	45.51
Hyster	42¾	Jan	9.38	9.84	7.64	–22.41	5.45	8.24	24.06
Ford Motor	41¾	Dec	13.35	10.92	8.49	–22.26	4.96	10.94	21.95
Royal Dutch Petroleum	79¼	Dec	10.55	19.89	15.49	–22.13	5.15	13.62	13.79
National Gypsum	22	Dec	3.56	4.49	3.50	–22.05	6.68	3.73	5.83
Aluminum Co Amer	58	Dec	8.66	12.19	9.69	–20.51	6.14	7.70	19.83
Western Air Lines	10¼	Dec	2.15	1.77	1.41	–20.28	7.44	34.11	36.15
US Air	8⅛	Dec	1.99	1.55	1.24	–20.[illegible]	6.66	18.26	18.27
Pan Am World Airways	6⅞	Dec	1.52	1.00	0.81	–18.74	18.32	30.06	69.20
Reynolds Metals	36⅞	Dec	5.40	8.12	6.64	–18.19	5.67	10.65	28.45
Bethlehem Steel	24⅝	Dec	5.15	6.43	5.27	–18.10	4.81	4.93	7.10
Amerada Hess	44½	Dec	3.42	9.71	7.97	–17.94	5.54	7.26	10.12
ASARCO	27½	Dec	1.69	6.33	5.23	–17.37	5.42	8.83	35.41
National Steel	34⅝	Dec	5.85	6.58	5.46	–16.98	6.36	4.99	11.30
American Motors	8½	Sept	0.80	2.34	1.95	–16.64	4.10	4.87	22.97

*For fiscal years ending June through May of the following year. †See source. ‡Percentage range around the average in which two-thirds of analysts' estimates fall. The lower the percentage, the greater the agreement among analysts.
Source: Institutional Brokers Estimate System; Lynch Jones & Ryan.

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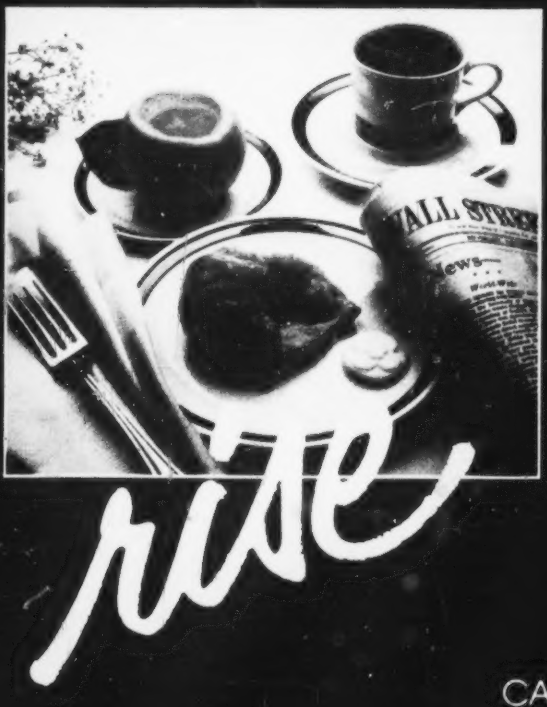

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HYATT HOTELS

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Falling stars

Company	Recent price	Fiscal year ends	——Earnings per share—— 1978*	IBES† estimates 1979*	1980*	Decrease of 1980 over 1979	P/E based on 1980	Percentage variation in earnings estimates‡ 1979	1980
Clark Equipment	40¼	Dec	$ 6.08	$ 7.75	$ 6.57	–15.27%	6.32	6.33%	7.22%
PACCAR	60¾	Dec	10.51	13.02	11.08	–14.90	5.44	7.93	9.11
Borg-Warner Corp	36¼	Dec	6.24	6.68	5.71	–14.47	6.52	3.67	14.27
Shapell Inds	37⅝	Dec	8.35	8.02	6.90	–13.97	5.60	9.82	17.86
Cummins Engine	34⅞	Dec	7.62	6.23	5.40	–13.31	6.39	11.58	15.98
Newmont Mining	31¾	Dec	1.28	5.47	4.75	–13.12	6.78	9.16	29.29
Inland Steel Co	35¾	Dec	7.61	7.53	6.55	–13.00	5.46	5.82	7.34
Pope & Talbot	37	Dec	5.60	6.17	5.38	–12.91	6.67	11.85	8.91
Kaiser Alum & Chem	20⅞	Dec	3.58	4.82	4.21	–12.54	5.19	5.17	21.19
General Motors	63¼	Dec	12.24	10.86	9.50	–12.49	6.70	8.75	13.89
Celanese	47¼	Dec	7.61	8.73	7.66	–12.25	6.10	6.41	7.44
International Harvester	40¾	Oct	6.14	9.77	8.60	–11.93	4.72	9.44	17.05
Armco	26⅝	Dec	4.29	4.94	4.35	–11.88	6.26	6.42	8.99
Firestone Tire	10	Oct	1.25	1.78	1.57	–11.79	6.46	12.21	17.43
Southwest Forest Inds	20¾	Dec	2.59	3.02	2.69	–10.83	7.95	6.85	18.42
Scott Paper	19	Dec	2.41	3.36	3.01	–10.20	6.51	2.52	8.13
Eaton	29⅛	Dec	4.34	5.65	5.09	–9.99	5.70	1.18	14.42
Pullman	40¼	Dec	5.83	8.10	7.30	–9.84	5.68	11.46	8.47
Champion Intl	26½	Dec	3.65	4.35	3.93	–9.64	6.81	8.42	12.56
Phelps Dodge	29½	Dec	1.16	4.33	3.93	–9.16	7.70	10.88	51.01
Stanadyne	29¼	Dec	3.62	4.63	4.21	–9.14	6.83	2.23	8.51
Central Soya	12⅞	Aug	1.94	2.37	2.16	–9.05	5.67	4.56	18.03
Rohm & Haas	46¾	Dec	4.49	6.55	5.96	–8.97	7.78	7.92	10.75
UNC Resources	24⅛	Mar	3.46	3.06	2.79	–8.94	8.96	27.53	3.23
General Tire & Rubber	23¼	Nov	4.97	4.38	4.00	–8.70	5.81	14.92	25.00
Masonite	28	Aug	2.73	3.38	3.09	–8.63	9.39	3.12	20.39
Bucyrus-Erie	19	Dec	2.66	2.61	2.38	–8.62	7.92	4.06	7.82
X[illegible]	23	Sept	4.80	5.32	4.87	–8.46	4.49	0.94	5.39
US Fidelity & Guaranty	38¾	Dec	7.75	8.09	7.42	–8.30	5.20	4.12	4.33
Weyerhaeuser	34⅜	Dec	3.18	3.90	3.58	–8.29	9.58	7.19	12.42
International Paper	42	Dec	4.94	6.33	5.81	–8.25	7.31	3.76	10.90
Burlington Northern	59¼	Dec	8.52	10.92	10.03	–8.10	5.94	11.67	13.66
Great Northern Nekoosa	36⅞	Dec	4.23	5.75	5.29	–8.07	7.14	2.31	12.04
Hercules	22	Dec	2.36	3.22	2.96	–7.99	7.43	8.06	11.19
Union Carbide	43⅛	Dec	6.09	7.42	6.82	–7.96	6.37	6.05	7.68
Louisiana-Pacific	25	Dec	2.82	3.22	2.97	–7.86	8.59	10.42	18.47
Boise Cascade	39½	Dec	5.02	6.11	5.65	–7.62	6.95	4.83	11.75
Potlatch	38¼	Dec	4.65	5.07	4.69	–7.45	8.13	7.17	8.30
City Investing	19	Dec	3.07	3.00	2.78	–7.33	6.84	16.24	18.82
British Petroleum	30¾	Dec	2.34	4.74	4.42	–6.82	7.08	19.56	10.75
Crown Zellerbach	42⅝	Dec	4.39	5.17	4.83	–6.55	8.20	4.32	11.94
Ohio Casualty	37⅝	Dec	5.87	6.11	5.72	–6.42	6.64	6.11	9.42
Kemper	36½	Dec	7.95	8.34	7.82	–6.23	4.73	4.23	12.46
Kennecott Copper	28⅜	Dec	0.15	3.39	3.18	–6.13	9.08	12.19	41.23
Akzona	14¾	Dec	1.69	1.80	1.69	–5.96	9.08	3.83	12.37
Dow Chemical	32¾	Dec	3.16	3.90	3.67	–5.75	8.89	5.57	8.29
BF Goodrich	21¾	Dec	4.39	4.65	4.39	–5.55	5.16	5.90	13.71
St Regis Paper	34	Dec	3.94	4.87	4.60	–5.53	7.45	3.94	10.44
GEICO	12⅜	Dec	1.74	1.80	1.70	–5.43	6.76	22.65	27.63
EI Du Pont de Nemours	42⅛	Dec	5.39	5.87	5.55	–5.40	7.86	3.68	7.78
Northwest Airlines	30½	Dec	2.86	4.74	4.48	–5.33	6.80	7.62	17.50
Brush Wellman	22	Dec	2.13	3.05	2.89	–5.25	7.61	2.29	12.58
Continental	25½	Dec	5.66	5.35	5.08	–5.05	5.12	6.48	9.36
SAFECO	37½	Dec	6.34	6.24	5.93	–4.93	6.38	4.75	8.72
Mead	27¼	Dec	4.41	5.08	4.84	–4.87	5.69	2.98	10.74
Olin	20	Dec	2.55	2.95	2.81	–4.84	7.26	8.42	20.32
Union Camp	48¼	Dec	5.25	6.09	5.80	–4.76	8.38	2.83	7.09
Libbey-Owens-Ford	28¾	Dec	4.96	4.74	4.55	–3.96	6.18	7.96	1.90
Seaboard Coast Line	28⅝	Dec	4.64	6.67	6.41	–3.87	4.56	6.55	11.58
US Steel	23¾	Dec	2.85	4.31	4.14	–3.86	5.88	9.72	13.55

*For fiscal years ending June through May of the following year. †See source. ‡Percentage range around the average in which two-thirds of analysts' estimates fall. The lower the percentage, the greater the agreement among analysts.
Source: Institutional Brokers Estimate System; Lynch Jones & Ryan.

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Falling stars

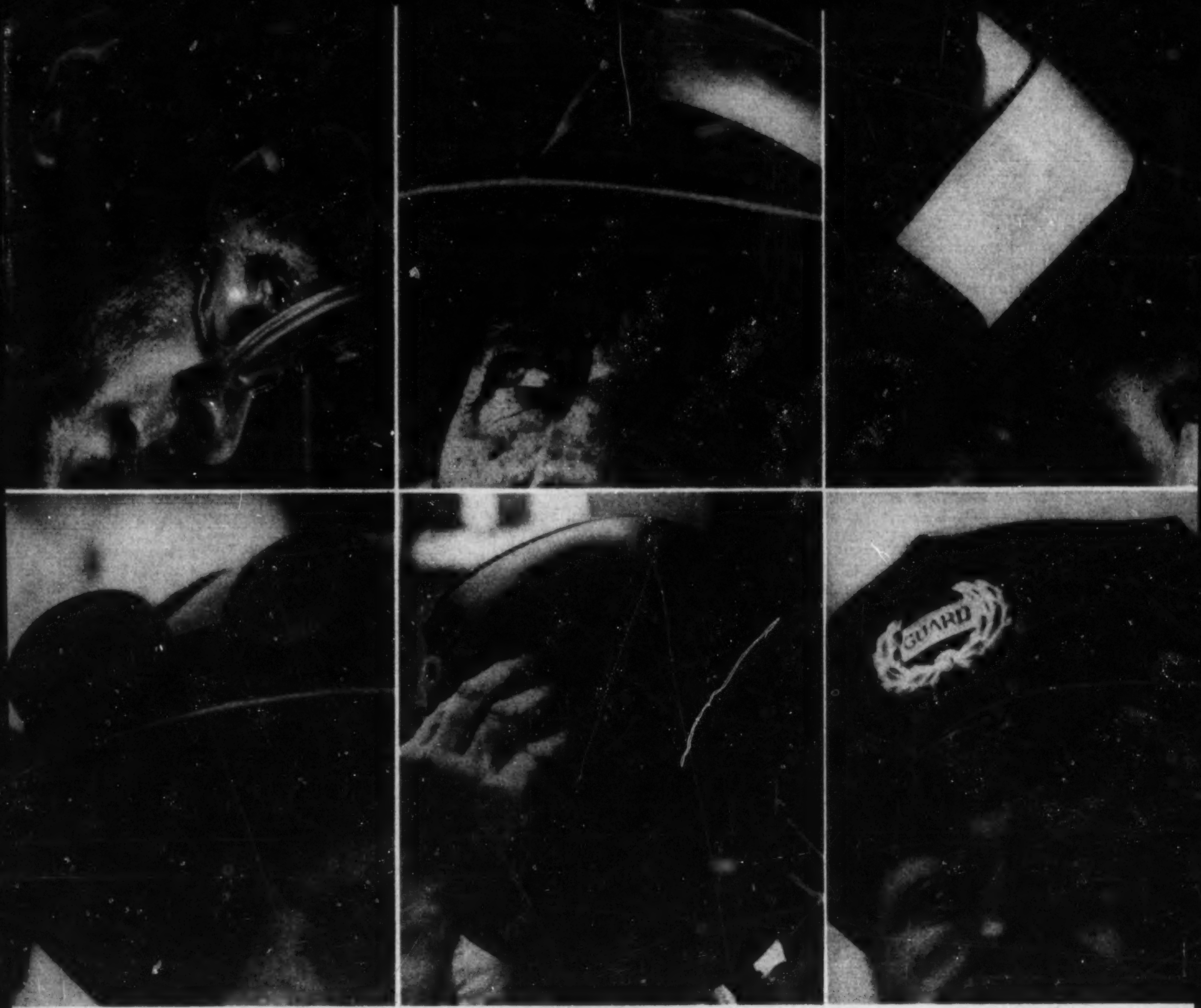
Company	Recent price	Fiscal year ends	Earnings per share	IBES† estimates		Decrease of 1980 over 1979	P/E based on 1980	Percentage variation in earnings estimates‡	
			1978*	1979*	1980*			1979	1980
Armstrong Cork	17½	Dec	$2.36	$2.54	$2.45	–3.77%	7.26	4.18%	10.07%
Hammermill Paper	22⅛	Dec	3.35	4.00	3.85	–3.67	5.78	6.28	11.46
Southern Pacific	36	Dec	4.31	5.79	5.58	–3.61	6.45	8.15	12.76
Consolidated Freightways	25⅞	Dec	4.75	5.08	4.90	–3.57	5.18	4.04	5.80
Southern Calif Edison	25⅞	Dec	3.52	4.38	4.22	–3.54	6.10	3.85	6.17
Coastal States Gas	27¾	Dec	2.77	4.37	4.22	–3.49	6.75	4.82	12.06
PPG Inds	33¾	Dec	5.74	6.08	5.87	–3.45	5.71	5.38	9.36
Lane	24½	Dec	4.11	4.29	4.15	–3.32	6.02	1.93	13.45
Chubb	42⅞	Dec	7.39	7.35	7.11	–3.27	6.08	4.92	8.52
Fieldcrest Mills	28⅞	Dec	6.07	6.42	6.23	–2.91	4.55	3.94	9.54
Ingersoll-Rand	58	Dec	6.41	7.15	6.95	–2.75	8.22	2.59	9.04
Chessie System	28⅝	Dec	3.59	5.53	5.41	–2.14	5.15	3.70	10.12
Willamette Inds	38¾	Dec	4.26	4.38	4.28	–2.10	8.58	4.65	12.81
Aetna Life & Casualty	33⅞	Dec	6.39	6.67	6.53	–2.09	5.19	5.09	7.83
Crum & Forster	55	Dec	9.12	9.95	9.75	–2.06	6.00	2.76	8.61
Engelhard Minerals & Chems	47⅜	Dec	4.50	7.36	7.20	–2.05	6.66	20.17	16.30
Corning Glass Works	62½	Dec	5.89	6.94	6.80	–2.04	9.31	5.23	4.30
Metro-Goldwyn-Mayer	18¾	Aug	1.61	2.09	2.04	–1.97	9.42	9.10	9.65
Braniff Intl	10¼	Dec	2.26	1.79	1.75	–1.96	5.99	19.90	32.24
Pabst Brewing	14	Dec	1.29	1.36	1.33	–1.88	10.40	11.20	28.56
Caterpillar Tractor	54⅜	Dec	6.56	7.11	6.98	–1.88	7.83	3.70	5.83
Indianapolis Power & Light	22⅝	Dec	2.30	3.32	3.26	–1.88	6.93	3.12	5.36
Lone Star Inds	26¼	Dec	4.02	4.60	4.52	–1.85	5.75	6.46	14.84
IU Intl	14⅛	Dec	0.30	1.85	1.82	–1.80	8.12	3.82	8.41
Monsanto	60¼	Dec	8.21	9.17	9.02	–1.65	6.60	6.96	8.17
Louisiana Land & Expl	47⅛	Dec	2.64	4.16	4.09	–1.52	11.48	6.60	10.62
Norton	32	Dec	3.78	4.80	4.73	–1.46	6.90	8.62	14.29
Wisconsin Public Service	17⅜	Dec	2.53	2.72	2.69	–1.22	6.59	4.14	3.79
Texasgulf	31⅝	Dec	1.33	3.13	3.09	–1.20	10.32	13.86	14.39
Pentair	17¾	Dec	3.12	3.98	3.94	–1.09	4.47	2.94	9.47
General Portland	15¾	Dec	2.51	3.02	3.00	–0.83	5.37	12.77	22.81
Travelers	37½	Dec	8.29	8.38	8.32	–0.72	4.55	5.10	9.59
Texaco	31¼	Dec	3.14	4.91	4.88	–0.64	6.35	6.24	7.84
Ferro	24½	Dec	3.67	3.81	3.79	–0.64	6.37	3.84	14.97
Bendix	42½	Sept	5.74	7.16	7.12	–0.51	6.18	1.69	4.25
St Joe Minerals	31¾	Dec	1.95	3.95	3.93	–0.48	8.47	13.48	16.31
Amcord	32	Dec	3.19	3.80	3.79	–0.42	8.58	4.28	6.81
Rockwell Intl	45⅝	Sept	5.29	6.82	6.81	–0.22	6.81	7.97	8.20

Overlooked stars

Unless the price of these securities rises or their estimated earnings don't come through, these following stocks are on the bargain counter.

Company	Recent price	Fiscal year ends	Earnings per share	IBES† estimates		Increase of 1980 over 1979	P/E based on 1980	Percentage variation in earnings estimates‡	
			1978*	1979*	1980*			1979	1980
Gap Stores	8¾	Jan	$2.24	$2.33	$ 2.82	20.89%	3.06	9.18%	5.71%
Memorex	19⅝	Dec	5.65	5.74	6.29	9.53	3.10	5.13	10.81
Stop & Shop Cos	16⅜	Jan	4.00	4.39	4.93	12.44	3.45	4.20	1.55
American Family	11⅝	Dec	2.07	2.62	3.09	17.62	3.64	4.53	8.40
Zayre	13	Jan	2.57	2.91	3.55	21.88	3.77	6.78	10.42

*For fiscal years ending June through May of the following year. †See source. ‡Percentage range around the average in which two-thirds of analysts' estimates fall. The lower the percentage, the greater the agreement among analysts.
Source: Institutional Brokers Estimate System; Lynch Jones & Ryan.



Guess how many people on this page will work beyond normal retirement.

Your estimate is probably too low. Unless you've seen the recent study, American Attitudes Toward Retirement and Pensions.

This research, commissioned by Johnson & Higgins and conducted by Louis Harris and Associates, reached executives at 212 leading companies as well as 1,699 current employees and retirees.

Our findings call into serious question many currently held assumptions. For instance, many past reports suggest that only 10% to 25% of the work force intends to stay on. Harris finds that 51% intend to stay at work, full or part time.

Furthermore, though executives think guaranteed income and vesting are the most important things in pension plans, employees don't think so.

The wealth of reliable information in this study can help you shape employee pension programs to cope with changing conditions and attitudes.

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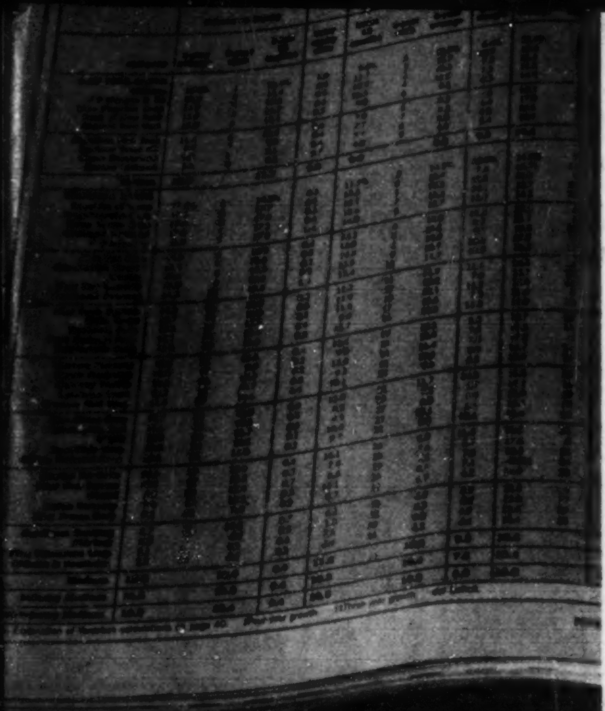
Overlooked stars

Company	Recent price	Fiscal year ends	——Earnings per share——			Increase of 1980 over 1979	P/E based on 1980	Percentage variation in earnings estimates‡	
			1978*	IBES† estimates 1979*	1980*			1979	1980
Sea Containers	17½	Dec	$ 3.48	$ 3.72	$ 4.70	26.31%	3.85	10.84%	6.83%
US Home	14	Dec	2.72	3.64	3.64	0.16	3.95	2.71	7.35
Dorsey	17⅛	Dec	2.39	3.65	4.35	19.11	4.05	9.16	9.31
Palm Beach	18⅛	Dec	3.72	4.20	4.46	6.12	4.06	2.94	3.31
Maryland Natl	17¼	Dec	3.03	3.79	4.22	11.33	4.09	0.66	1.37
American Motors	8½	Sept	0.80	2.34	1.95	−16.64	4.10	4.87	22.97
Giddings & Lewis	22¼	Dec	3.74	5.01	5.45	8.78	4.13	5.41	10.09
Charter NY	35⅞	Dec	6.27	7.72	8.67	12.30	4.14	2.45	7.15
Norlin	23½	Dec	4.91	4.84	5.70	17.67	4.14	7.27	18.93
Cluett Peabody	9⅞	Dec	1.91	1.89	2.37	25.17	4.17	4.43	14.38
HF Ahmanson	23⅞	Dec	5.13	5.17	5.96	15.17	4.19	2.88	7.87
Overnite Transportation	23	Dec	4.26	4.91	5.31	8.05	4.28	4.31	9.31
Philadelphia Natl	30⅝	Dec	5.75	7.05	7.13	1.18	4.31	11.26	5.67
Golden West Finl	14½	Dec	2.99	3.04	3.54	16.48	4.31	7.94	10.20
Finl Corp Santa Barbara	17	Dec	3.52	3.37	3.84	13.90	4.46	8.47	17.43
Pentair	17¾	Dec	3.12	3.98	3.94	−1.09	4.47	2.94	9.47
Bankers Trust NY	43¾	Dec	6.47	8.78	10.08	14.77	4.49	8.03	4.26
Chemical New York	39⅛	Dec	6.96	7.87	8.71	10.75	4.49	3.19	3.92
Xtra	23	Sept	4.80	5.32	4.87	−8.46	4.49	0.94	5.39
Chase Manhattan	40⅛	Dec	5.09	8.00	9.15	14.43	4.52	6.83	5.23
LTV	8⅞	Dec	1.49	2.67	1.99	−25.70	4.53	29.18	14.87
Travelers	37½	Dec	8.29	8.38	8.32	−0.72	4.55	5.10	9.59
JP Stevens	14⅛	Oct	2.71	3.16	3.19	0.84	4.55	4.38	9.86
Fieldcrest Mills	28⅞	Dec	6.07	6.42	6.23	−2.91	4.55	3.94	9.54
Seaboard Coast Line	28⅝	Dec	4.64	6.67	6.41	−3.87	4.56	6.55	11.58
First Natl Boston	33½	Dec	5.11	6.62	7.23	9.24	4.58	2.74	1.98
Singer	11⅝	Dec	3.19	2.39	2.55	6.87	4.61	7.01	14.54
Wells Fargo	29	Dec	5.16	5.75	6.35	10.30	4.61	1.67	3.35
Tiger Intl	23⅛	Dec	3.68	4.17	4.94	18.43	4.61	12.41	13.58
Shaklee	16⅞	Sept	2.95	3.35	3.65	8.96	4.62	1.22	3.36
Nashua	28½	Dec	4.90	5.55	6.35	14.48	4.63	5.84	16.49
Crocker Natl	31¾	Dec	5.31	6.48	6.75	4.07	4.63	13.08	4.22
Flagship Banks	13¾	Dec	1.74	2.67	2.91	9.08	4.64	2.84	5.67
Blue Bell	25½	Sept	4.28	5.13	5.60	9.14	4.64	2.27	3.99
Harris Bankcorp	28½	Dec	4.78	5.52	6.18	11.86	4.65	0.77	2.47
Cone Mills	31½	Dec	6.22	6.85	6.92	0.97	4.68	3.48	8.98
Northern Calif S&L Assn	19⅝	Dec	3.65	3.47	3.98	14.70	4.71	3.76	6.92
Brown Group	26⅞	Oct	4.58	5.47	5.78	5.63	4.71	4.25	7.20
Colonial Penn Group	23	Dec	4.30	4.59	4.93	7.29	4.72	2.08	6.03
International Harvester	40¾	Oct	6.14	9.77	8.60	−11.93	4.72	9.44	17.05
First Chicago	18	Dec	3.30	3.58	3.94	10.20	4.73	2.62	4.51
Kemper	36½	Dec	7.95	8.34	7.82	−6.23	4.73	4.23	12.46
Manufacturers Hanover	33½	Dec	5.58	6.46	7.13	10.28	4.73	1.06	1.82
Imperial Corp Amer	27	Dec	4.96	5.03	5.75	14.43	4.74	2.86	6.22
Leggett & Platt	12¼	Dec	2.27	2.47	2.70	9.09	4.77	1.17	3.38
Moore McCormack Res	36	Dec	6.23	6.67	7.60	13.96	4.77	3.33	3.52
Bethlehem Steel	24⅝	Dec	5.15	6.43	5.27	−18.10	4.81	4.93	7.10
Ponderosa System	20½	Feb	3.02	3.68	4.38	19.16	4.82	4.36	4.00
Westinghouse Elec	20	Dec	3.59	3.74	4.27	14.01	4.83	5.46	5.10
Bancal Tri-State	21⅝	Dec	3.29	3.99	4.48	12.27	4.86	4.14	5.07
Security Pacific	31⅝	Dec	5.18	5.94	6.52	9.87	4.87	1.13	2.17
UAL	24¾	Dec	11.93	0.45	5.12	1031.35	4.89	446.03	30.17
Brockway Glass	14⅝	Dec	3.53	2.62	2.94	12.26	4.89	10.33	9.91
Overseas Shipholding Group	32⅛	Dec	4.74	5.70	6.59	15.57	4.90	7.68	11.06
Resorts Intl	33	Dec	4.57	6.81	7.38	8.26	4.90	2.11	11.58
First Charter Finl	18⅝	Dec	3.55	3.17	3.83	20.71	4.90	4.01	6.76
Overhead Door	16⅝	Dec	2.60	3.21	3.48	8.29	4.93	4.30	4.16
Southeast Banking	15⅞	Dec	2.14	2.80	3.22	15.00	4.93	6.68	1.77
NCNB	14⅛	Dec	2.02	2.56	2.83	10.43	4.95	4.52	2.66
J Walter Thompson	28½	Dec	4.43	4.97	5.76	15.99	4.95	3.88	7.45

*For fiscal years ending June through May of the following year. †See source. ‡Percentage range around the average in which two-thirds of analysts' estimates fall. The lower the percentage, the greater the agreement among analysts.
Source: Institutional Brokers Estimate System; Lynch Jones & Ryan.



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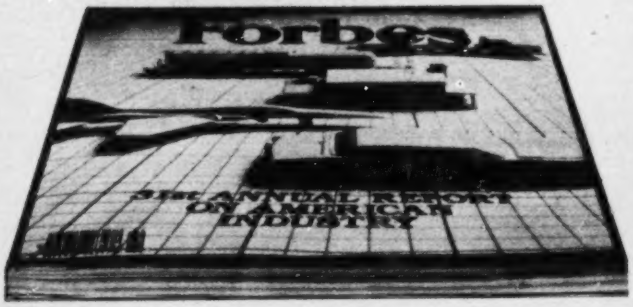

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Forbes: Capitalist Tool

Overlooked stars

Company	Recent price	Fiscal year ends	Earnings per share 1978*	IBES† estimates 1979*	IBES† estimates 1980*	Increase of 1980 over 1979	P/E based on 1980	Percentage variation in earnings estimates‡ 1979	Percentage variation in earnings estimates‡ 1980
Western Bancorporation	31¼	Dec	4.55	5.79	6.44	11.06	4.95	3.26	3.70
McDonnell Douglas	27⅞	Dec	4.14	4.90	5.54	13.27	4.96	5.06	4.93
Ford Motor	41¾	Dec	13.35	10.92	8.49	−22.26	4.96	10.94	21.95
International Tel & Tel	27¼	Dec	4.66	5.19	5.54	6.68	4.99	6.40	8.57
Transway Intl	24½	Dec	4.20	4.89	4.89	0.00	4.99	2.69	12.40
Collins & Aikman	8⅞	Feb	1.93	1.79	1.83	2.25	5.00	9.16	13.30
Anchor Hocking	16⅝	Dec	3.53	3.00	3.37	12.41	5.00	13.49	13.31
Federal Natl Mtg Assn	17	Dec	3.47	2.70	3.39	25.53	5.02	4.13	11.71
Wickes	15¾	Jan	3.14	3.16	3.29	3.95	5.02	11.19	14.88
Standard Motor Prod	16⅛	Dec	2.33	2.74	3.19	16.45	5.02	2.53	2.68
Fox-Stanley Photo Prods	9⅞	Mar	1.60	1.67	1.96	17.23	5.03	9.84	2.44
Kerr Glass Mfg	11	Dec	2.34	1.94	2.21	13.82	5.03	16.64	12.33
Republic Steel	29⅝	Dec	6.86	8.39	6.08	−27.60	5.04	5.58	11.28
Brunswick	13¾	Dec	2.30	2.65	2.73	3.01	5.04	6.93	12.58
Pittsburgh Natl	43¼	Dec	6.35	7.79	8.60	10.43	5.06	1.52	0.10
Continental Illinois	27⅞	Dec	4.51	4.91	5.55	12.92	5.07	2.29	6.03
INA	48½	Dec	8.37	9.21	9.29	0.87	5.07	3.40	7.38
Consolidated Papers	58¾	Dec	8.36	10.32	11.41	10.56	5.08	3.59	8.72
White Consolidated	24⅞	Dec	3.82	4.32	4.96	14.92	5.09	4.96	14.63
Swank	21	Dec	3.65	3.76	4.15	10.30	5.09	2.95	9.56
APS	8⅝	July	1.31	1.48	1.71	15.54	5.12	6.59	5.62
Continental	25½	Dec	5.66	5.35	5.08	−5.05	5.12	6.48	9.36
Norfolk & Western Ry.	24⅜	Dec	3.39	4.64	4.75	2.26	5.13	7.05	9.50
National Detroit	34⅛	Dec	5.59	6.35	6.79	6.92	5.14	1.90	5.95
Kaiser Cement	25½	Dec	4.24	4.81	4.99	3.76	5.14	4.59	12.61
Gordon Jewelry	24½	Aug	3.45	4.60	4.95	7.67	5.15	4.70	5.49
Chessie System	28⅜	Dec	3.59	5.53	5.41	−2.14	5.15	3.70	10.12
Royal Dutch Petroleum	79¼	Dec	10.55	19.89	15.49	−22.13	5.15	13.62	13.79
BF Goodrich	21¾	Dec	4.39	4.65	4.39	−5.55	5.16	5.90	13.71
VF Corp	18⅝	Dec	3.12	3.31	3.54	6.73	5.16	2.98	6.04
Consolidated Freightways	25⅞	Dec	4.75	5.08	4.90	−3.57	5.18	4.04	5.80
Flexi-Van	14⅝	Dec	3.11	2.83	3.04	7.56	5.18	4.46	7.20
Levitz Furniture	24½	Jan	3.84	4.43	4.77	7.79	5.18	4.56	5.51
Aetna Life & Casualty	33⅞	Dec	6.39	6.67	6.53	−2.09	5.19	5.09	7.83
Kaiser Alum & Chem	20⅞	Dec	3.58	4.82	4.21	−12.54	5.19	5.17	21.19
CleveTrust	35¼	Dec	6.05	6.40	6.78	5.99	5.20	2.30	2.98
HJ Wilson	14¾	Jan	2.08	2.28	2.79	22.19	5.20	2.65	3.20
US Fidelity & Guaranty	38¾	Dec	7.75	8.09	7.42	−8.30	5.20	4.12	4.33
Great Western Finl	24¾	Dec	4.01	4.21	4.98	18.46	5.22	3.25	7.90
Citicorp	23	Dec	3.70	4.01	4.59	14.31	5.23	2.78	7.98
Alcan Alum Ltd	41	Dec	7.15	7.55	7.87	4.25	5.26	7.77	16.76
Coachmen Inds	6	Dec	2.29	0.07	1.12	1388.89	5.26	1126.78	39.12
Transamerica	18⅝	Dec	3.15	3.44	3.70	7.47	5.27	2.71	4.52
GAF	11	Dec	2.06	1.67	2.06	23.50	5.27	10.81	11.09
Preston Trucking	15¾	Dec	2.24	2.47	2.93	18.52	5.28	6.28	3.94
General Public Utils	9⅛	Dec	2.30	1.54	1.70	10.19	5.29	14.90	7.37
St Paul Cos	40⅞	Dec	7.77	7.72	7.74	0.32	5.30	4.04	7.92
Kroger	24½	Dec	3.11	4.08	4.60	12.75	5.30	2.06	3.69
Ball	26⅛	Dec	3.84	4.67	5.00	6.95	5.30	6.68	7.81
Texas Amer Bancshares	26	Dec	4.13	4.33	4.90	13.10	5.31	3.28	3.91
Intl Multifoods	20	Feb	3.06	3.39	3.76	10.93	5.32	1.12	1.27
Household Finance	20⅞	Dec	2.99	3.64	3.90	7.37	5.32	2.96	3.42
Occidental Petroleum	25⅜	Dec	−0.35	4.28	4.86	13.64	5.32	21.28	23.35
Allis-Chalmers	36⅛	Dec	6.18	6.74	6.97	3.33	5.33	2.23	4.57
Barnett Banks	21¾	Dec	2.90	3.70	4.10	10.79	5.33	3.80	2.71
Hart Schaffner & Marx	12¾	Nov	2.09	2.29	2.39	4.26	5.34	2.39	4.32
Conn General Insurance	36	Dec	6.44	6.52	6.82	4.62	5.35	2.62	5.76
General Portland	15¾	Dec	2.51	3.02	3.00	−0.83	5.37	12.77	22.81
May Dept Stores	24⅛	Jan	4.01	4.22	4.51	7.02	5.38	3.89	6.85
Chart House	17¾	Dec	2.75	2.92	3.23	10.56	5.38	3.81	5.64

*For fiscal years ending June through May of the following year. †See source. ‡Percentage range around the average in which two-thirds of analysts' estimates fall. The lower the percentage, the greater the agreement among analysts.
Source: Institutional Brokers Estimate System; Lynch Jones & Ryan.

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Overlooked stars

Company	Recent price	Fiscal year ends	Earnings per share 1978*	IBES† estimates 1979*	IBES† estimates 1980*	Increase of 1980 over 1979	P/E based on 1980	Percentage variation in earnings estimates‡ 1979	Percentage variation in earnings estimates‡ 1980
Consolidated Edison	23⅞	Dec	$ 4.29	$ 4.39	$ 4.51	2.67%	5.38	3.75%	5.28%
Dominion Bankshares	16½	Dec	2.39	2.80	3.06	9.17	5.39	2.97	3.74
Johns-Manville	24¾	Dec	5.62	4.56	4.68	2.60	5.40	10.53	11.14
New England Gas & Elec	15⅝	Dec	2.40	2.64	2.94	11.06	5.40	3.74	5.96
Northrop	38	Dec	6.24	6.71	7.21	7.31	5.41	3.70	4.17
H B Fuller	11	Nov	1.58	1.83	2.07	13.39	5.42	5.26	9.33
ASARCO	27½	Dec	1.69	6.33	5.23	−17.37	5.42	8.83	35.41
Missouri Pacific	52½	Dec	8.83	9.49	9.72	2.42	5.43	2.13	6.63
Republic Automotive Parts	9⅛	Dec	1.30	1.43	1.68	17.48	5.43	1.92	5.41
Mellon National	30⅜	Dec	4.40	5.20	5.66	8.85	5.43	1.22	2.11
PACCAR	60¾	Dec	10.51	13.02	11.08	−14.90	5.44	7.93	9.11
Indiana Gas & Elec	18¾	Dec	3.04	2.92	3.35	14.67	5.45	4.29	4.39
Hyster	42¾	Jan	9.38	9.84	7.64	−22.41	5.45	4.29	4.39
First Union Bancorp	29¼	Dec	5.42	5.09	5.36	5.35	5.45	8.24	24.06
Owens-Illinois	20⅝	Dec	3.44	3.81	3.94	3.30	5.46	4.97	7.01
Inland Steel	35¾	Dec	7.61	7.53	6.55	−13.00	5.46	5.82	7.34
Mercantile Stores	37	Jan	6.80	6.59	6.87	4.24	5.46	4.31	8.50
Twentieth Century-Fox	42½	Dec	7.07	7.17	7.55	5.31	5.46	14.10	14.15
Colt Inds	44¾	Dec	6.07	7.89	8.32	5.47	5.48	1.59	5.40
Gibraltar Financial	13	Dec	2.24	2.19	2.60	18.34	5.49	3.47	7.28
Fairchild Inds	35⅝	Dec	3.69	5.53	6.49	17.41	5.49	3.38	3.36
Goodyear Tire & Rubber	15⅛	Dec	3.12	2.63	2.76	4.60	5.49	11.94	11.49
Texas Intl Airlines	10	Dec	1.32	1.52	1.91	25.89	5.49	15.51	21.92
Houston Inds	28⅛	Dec	4.21	4.88	5.14	5.20	5.50	2.29	3.11
First Pennsylvania	13⅛	Dec	2.13	1.81	2.39	31.72	5.50	4.09	4.32
Valley Natl Bank	28⅝	Dec	3.71	4.60	5.15	11.99	5.50	1.62	3.02
Host Intl	18	Dec	2.54	2.96	3.27	10.52	5.51	3.23	5.26
Eastern Air Lines	7⅝	Dec	2.91	1.79	1.38	−22.65	5.51	19.53	45.51
Evans Prods	24¼	Dec	3.76	4.24	4.42	4.19	5.51	4.47	11.15
Colonial Life & Accident	16⅞	Dec	2.33	2.73	3.08	12.82	5.52	1.54	1.85
King's Dept Stores	14⅛	Jan	2.00	2.14	2.51	17.43	5.53	9.23	6.58
Equitable Savings & Loan	30¼	Dec	5.58	5.20	5.79	11.27	5.53	7.90	12.13
Amerada Hess	44½	Dec	3.42	9.71	7.97	−17.94	5.54	7.26	10.12
Cincinnati Bell	29¾	Dec	5.30	5.31	5.33	0.49	5.55	4.04	4.43
RTE	10⅛	Dec	2.02	1.55	1.84	18.89	5.56	6.71	12.96
First Bank System	40	Dec	5.78	6.55	7.20	9.99	5.59	1.51	2.96
Modern Merchandising	15½	Jan	2.04	2.26	2.64	16.77	5.59	4.68	4.13
Shapell Inds	37⅝	Dec	8.35	8.02	6.90	−13.97	5.60	9.82	17.86
Ogilvy & Mather Intl	22¾	Dec	3.16	3.42	4.02	17.32	5.60	3.84	5.91
Allied Stores	25½	Jan	3.98	4.22	4.57	8.42	5.61	2.60	5.85
Continental Group	30⅜	Dec	3.47	5.18	5.39	4.11	5.61	3.87	5.80
INTERCO	41¼	Feb	6.30	6.91	7.45	7.81	5.62	1.30	3.60
US Leasing Intl	17⅜	Dec	2.78	2.73	3.11	14.01	5.62	2.66	3.31
Quaker Oats	26⅞	June	4.01	4.37	4.77	9.15	5.63	3.22	0.74
Fleming Cos	17½	Dec	2.33	2.70	3.11	15.06	5.63	2.97	3.21
Mattel	8¾	Jan	1.23	1.36	1.57	15.95	5.63	3.62	7.56
Teledyne	143¾	Dec	17.68	25.09	26.03	3.74	5.64	6.35	8.27
Beneficial	30⅜	Dec	4.10	5.01	5.41	7.97	5.64	1.71	2.88
Reynolds Metals	36⅞	Dec	5.40	8.12	6.64	−18.19	5.67	10.65	28.45
CFS Continental	10¼	Sept	0.92	1.50	1.83	22.00	5.67	4.08	8.11
Natomas	60⅝	Dec	7.67	9.78	10.63	8.66	5.67	7.82	9.14
Central Soya	12⅞	Aug	1.94	2.37	2.16	−9.05	5.67	4.56	18.03
Emhart	40⅜	Dec	5.77	6.28	6.85	9.07	5.67	1.40	2.72
Sunbeam	20⅝	Mar	3.22	3.12	3.70	18.42	5.68	5.94	9.10
Scott & Fetzer	27¾	Nov	4.11	4.80	4.84	0.78	5.68	3.30	4.88
Pullman	40¼	Dec	5.83	8.10	7.30	−9.84	5.68	11.46	8.47
Mead	27¼	Dec	4.41	5.08	4.84	−4.87	5.69	2.98	10.74
Jonathan Logan	12⅛	Dec	1.77	1.36	2.15	57.93	5.69	30.22	41.89
Interpublic Group	32¾	Dec	4.11	4.65	5.33	14.79	5.69	2.03	7.59
Virginia Electric & Power	12	Dec	1.88	1.85	2.09	12.74	5.69	5.71	4.16

*For fiscal years ending June through May of the following year. †See source. ‡Percentage range around the average in which two-thirds of analysts' estimates fall. The lower the percentage, the greater the agreement among analysts.
Source: Institutional Brokers Estimate System; Lynch Jones & Ryan.

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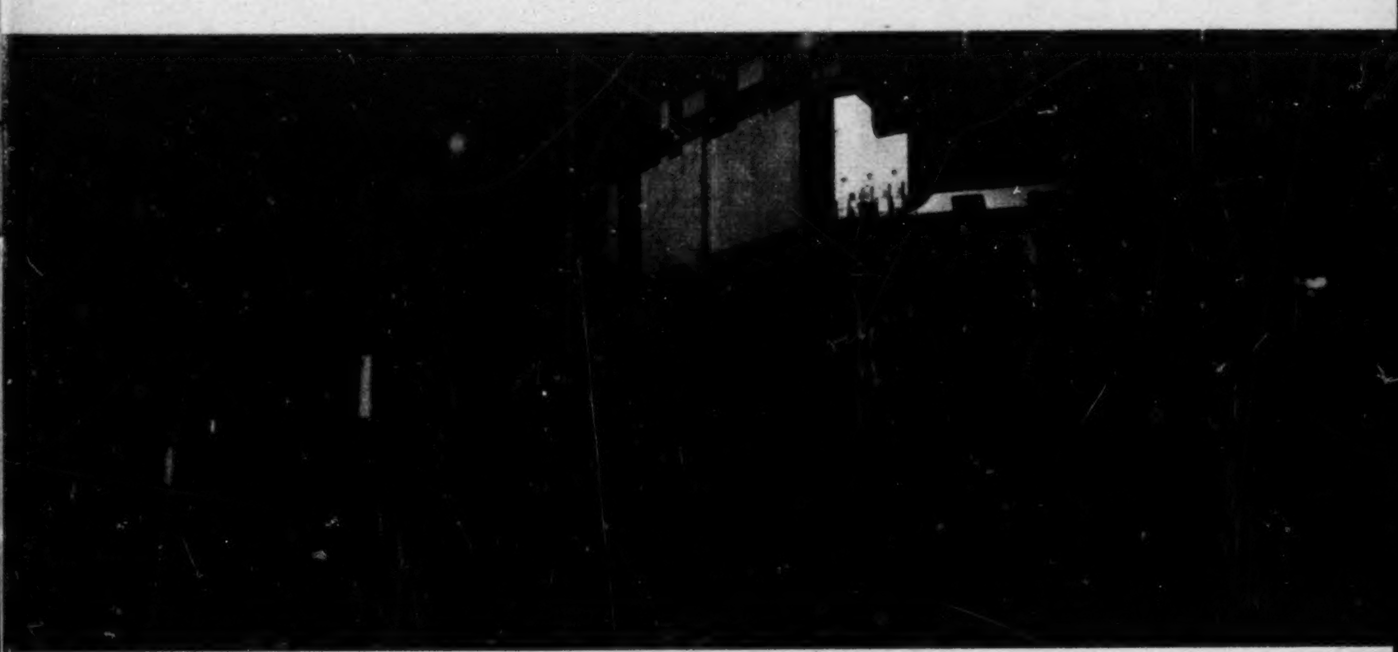

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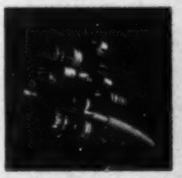

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Company	Recent price	Fiscal year ends	Earnings per share 1978*	Earnings per share IBES† estimates 1979*	Earnings per share IBES† estimates 1980*	Increase of 1980 over 1979	P/E based on 1980	Percentage variation in earnings estimates‡ 1979	Percentage variation in earnings estimates‡ 1980
Borden	26⅜	Dec	$4.38	$ 4.46	$ 4.78	7.34%	5.70	5.62%	4.74%
Zurn Inds	17⅞	Mar	2.46	2.82	3.18	12.81	5.70	1.56	2.04
Eaton	29⅛	Dec	4.34	5.65	5.09	–9.99	5.70	1.18	14.42
PPG Inds	33¾	Dec	5.74	6.08	5.87	–3.45	5.71	5.38	9.36
Koehring	23	Nov	3.45	4.11	4.20	2.30	5.71	3.57	5.24
American Can	38	Dec	6.05	6.63	6.83	3.06	5.71	1.70	6.42
Warner & Swasey	38⅞	Dec	3.34	6.34	6.68	5.42	5.72	11.56	5.31
USLIFE	25¾	Dec	3.36	3.86	4.32	11.87	5.73	1.85	2.70
Middle South Utils	14⅛	Dec	2.46	2.42	2.44	1.02	5.73	3.83	4.85
Sullair	16½	Dec	2.12	2.67	2.92	9.37	5.74	3.49	4.69
Southwest Airlines	24⅝	Dec	3.61	3.87	4.29	10.65	5.74	4.28	12.72
Citizens Fidelity	25¾	Dec	3.45	3.97	4.53	14.01	5.74	1.13	2.05
Lone Star Inds	26¼	Dec	4.02	4.60	4.52	–1.85	5.75	6.46	14.84
Southern Ry	55⅝	Dec	8.35	9.17	9.64	5.06	5.76	1.88	2.93
Tyler	15⅝	Dec	2.14	2.48	2.71	9.56	5.76	4.49	4.37
Northeast Utils	9⅝	Dec	1.32	1.50	1.69	12.44	5.76	6.16	7.60
SPS Technologies	25¾	Dec	2.27	3.81	4.40	15.56	5.77	10.92	13.67
Boeing	48⅝	Dec	5.05	7.59	8.62	13.50	5.77	4.42	4.02
Hammermill Paper	22⅛	Dec	3.35	4.00	3.85	–3.67	5.78	6.28	11.46
Jewel Cos	25⅝	Jan	3.59	4.02	4.36	8.39	5.79	4.59	7.27
Ethyl	27⅝	Dec	4.02	4.61	4.64	0.53	5.80	3.60	7.14
General Tire & Rubber	23⅛	Nov	4.97	4.38	4.00	–8.70	5.81	14.92	25.00
American Standard	54¾	Dec	7.23	8.89	9.40	5.78	5.82	4.30	9.96
Dana	29½	Aug	4.22	5.07	5.15	1.64	5.83	0.74	6.07
Rexnord	17½	Oct	2.67	2.92	3.02	3.57	5.83	8.68	9.73
Wetterau	13⅛	Mar	1.72	1.98	2.25	13.78	5.83	2.00	1.48
Pennsylvania Power & Light	19⅝	Dec	2.86	3.27	3.30	0.92	5.83	3.08	4.91
Pacific Gas & Electric	22⅞	Dec	3.20	3.55	3.90	9.76	5.83	2.65	2.57
Southwest Bancshares	25⅛	Dec	3.67	3.85	4.35	12.87	5.84	1.84	3.93
Ideal Basic Inds	25¼	Dec	4.02	4.37	4.42	1.13	5.85	3.96	13.79
Scovill	19⅛	Dec	3.21	3.31	3.35	1.11	5.85	1.80	0.08
Doyle Dane Bernbach Intl	22¼	Dec	2.87	3.34	3.76	12.54	5.86	1.71	2.92
Republic of Texas	26½	Dec	3.41	4.05	4.55	12.15	5.86	1.91	2.71
Burlington Inds	16¾	Sept	2.50	2.80	2.84	1.33	5.86	1.21	5.89
NY State Electric & Gas	16⅛	Dec	2.46	2.62	2.75	5.10	5.86	3.82	2.58
Northwest Bancorporation	26⅝	Dec	3.65	4.17	4.59	10.05	5.88	2.37	3.31
Easco	19	Dec	2.88	2.95	3.29	11.56	5.88	4.28	6.02
US Steel	23⅝	Dec	2.85	4.31	4.14	–3.86	5.88	9.72	13.55
Wachovia	19⅞	Dec	2.48	3.00	3.31	10.30	5.89	2.70	3.26
Northwest Inds	35	Dec	4.68	5.61	6.16	9.68	5.89	3.90	8.27
Carolina Power & Light	19½	Dec	3.10	3.15	3.33	5.88	5.89	2.93	3.77
Fischbach & Moore	26⅛	Sept	3.61	4.03	4.30	6.91	5.90	0.74	4.18
Harcourt Brace Jovanovich	37¾	Dec	3.76	5.45	6.44	18.20	5.90	3.07	6.86
Florida Power & Light	26¼	Dec	4.54	4.23	4.45	5.20	5.90	2.67	5.63
Textron	27¾	Dec	4.47	4.52	4.61	2.16	5.91	2.11	3.71
Combined Insurance	21	Dec	2.86	3.22	3.56	10.34	5.91	2.35	4.01
Ogden	35⅝	Dec	5.18	5.98	6.32	5.61	5.92	5.12	8.56
Nucor	32½	Dec	3.91	5.04	5.58	10.67	5.92	5.28	6.49
Leaseway Transportation	23⅝	Dec	3.34	3.59	3.88	8.30	5.92	3.39	5.62
Marley	21¾	Oct	3.38	3.47	3.69	6.24	5.93	2.01	7.81
Burlington Northern	59¼	Dec	8.52	10.92	10.03	–10.10	5.94	11.67	13.66
Seafirst	28	Dec	3.75	4.23	4.70	11.15	5.95	2.06	2.73
United States Filter	13	Dec	1.55	1.92	2.18	13.85	5.96	2.18	5.48
Kansas Power & Light	18⅝	Dec	2.74	2.93	3.08	5.12	5.97	5.86	3.36
First Kentucky Natl	32½	Dec	4.16	4.87	5.44	11.54	5.98	2.44	3.47
Trane	20½	Dec	2.66	3.10	3.34	7.74	5.99	7.64	10.41
Braniff Intl	10¼	Dec	2.26	1.79	1.75	–1.96	5.99	19.90	32.24

*For fiscal years ending June through May of the following year. †See source. ‡Percentage range around the average in which two-thirds of analysts' estimates fall. The lower the percentage, the greater the agreement among analysts.
Source: Institutional Brokers Estimate System; Lynch Jones & Ryan.

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November 26, 1979
Volume 124, Number 11

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Far from being rational and efficient, the stock market is nearly always wrong, says this writer. Which makes the market a sitting duck for the courageous—and disciplined—contrarian.

Why the experts are nearly always wrong

The stock market is like a computer. Its input is the knowledge, the calculation, the hopes, the fears, the dreams and the avarice of millions of investors. Its output is appropriate prices on a whole universe of securities. But you know what they say about computers—garbage in, garbage out.

David Dreman is a highly respected Wall Street professional and author who is currently heading his own New York-based investment firm. He has just written a book that goes a long way toward explaining why most investors, professionals included, generally do so poorly in the stock market. Entitled *Contrarian Investment Strategy* (to be published in February by Random House), this book seems destined to join the mere handful of stock market classics. Dreman is not content to say that the experts are nearly always wrong. He goes further. He explains why, given the prevailing methods of stock selection, it is almost inevitable that they should be wrong.

The computer, in short, is okay but the input isn't. Garbage in, garbage out.

By playing against the experts, Dreman believes, an investor can achieve superior results. How does one do that? Simple. The stocks the professionals like generally command a superior price/earnings ratio; the stocks they shun have lower price/earnings ratios. This is perfectly logical. People are willing to pay more for stocks they like than for stocks they don't like. So, the smart contrarian will be against the experts by confining his purchases to stocks bearing the lowest price/earnings ratios.

This chapter from Dreman's engrossing book draws both on psychology and stock market experience to explain *why* the experts are always wrong—why they are the true odd-lotters. Following is a list of "contrarian" stocks generated by a computer programmed to search out stocks that meet Dreman's low P/E criteria. The list reflects the mechanical approach he advocates and makes for interesting reading.

By David Dreman

ALMOST ALL OF US have learned in our school days of classic miscalculations experts have sometimes made. Lord Cardigan hardly demonstrated the benefit of an extensive military background when he led the Light Brigade, well-bedecked with blue ribbons for beautiful horseflesh, steeplechasing and musical riding, into the barrels of 300 Russian cannon at Balaklava. Nor was Yale economist Irving Fisher's comment, "Stocks are now at what looks like a permanently high plateau," uttered a few days before Black Tuesday 1929, the brightest financial statement of the century. The same might be said for the political judgment of Neville Chamberlain, at Croydon Airport upon his return from Munich, waving a document and shouting, "I bring you peace in our time."

The illusion of expert invincibility is one that most of us put behind us long ago. What has not been discovered until recently is that under certain conditions, *experts err predictably and often*. There is a consistency to the mistakes made by professionals in fields as diverse as psychology, engineering and publishing. And, as we shall see, the conditions for such errors are as fertile in the stock market as anywhere.

The problem of expert failure can be traced to man's capabilities as an information processor. Just how much information he can handle effectively under varying circumstances has come under intense scrutiny in recent decades, and some of the results are striking. We will see that the vast storehouses of

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data about companies, industries and the economy that current methods require the investor to comprehend may not always give him or her an extra "edge." In fact, ingesting large amounts of investment information can lead to making worse rather than better decisions. Impossible? At the end of the chapter, you'll see that the favorite stocks and industries of large groups of professional investors, chosen by exactly the methods we are questioning, fared far more poorly than the averages over an almost 50-year period.

To outdo the market then, we must first have a good idea of the forces that time and again victimize even the pros. Once these forces are understood, the investor can build defenses and find routes that skirt the pitfalls.

Just how good is man as a processor of information, and where does he run into trouble? Nobel Laureate Herbert Simon, one of the pioneers and leaders in the field, has studied both questions intensely over more than four decades. According to Simon, "Every human organism lives in an environment which generates millions of new bits of information every second, but the bottleneck of the perceptual apparatus certainly does not admit more than 1,000 bits per second, and possibly much less." We react consciously to only a minute portion of the information that is thrown at us. But Simon states that even the filtering process is not a passive activity which provides a pretty reasonable representation of the real world, but "an active process involving attention to a very small part of the whole and the exclusion from the outset of all that is not within the scope of our attention."

Simon adds: "The capacity of the human mind for formulating and solving complex problems is very small compared with the size of the problems whose solution is required."

Researchers in many fields began to ponder whether such cognitive limitations actually existed and, if they did, how they might affect the decision-making process in their own disciplines. Could they, as Simon may suggest, result in a serious curtailment of the professional to carry out his responsibilities effectively in a complex field?

Some of the first experiments in cognitive limitation were conducted in the field of clinical psychology, which, like psychiatry, requires the practitioner to make complex diagnostic decisions if proper treatment is to be administered. One of the pioneer investigators was Paul Meehl. In the late 1940s and early 1950s, Meehl made 20 separate surveys of groups of clinical psychologists who, after thorough examinations, recommended treatment for psychotic and schizophrenic patients. The groups of psychologists made predictions of how they believed the patients would respond to the particular treatment prescribed. These predictions were then compared with the average recovery rates based simply on the standard treatments in the past. Meehl expected the psychologists' diagnoses would undoubtedly improve the prescribed treatment and result in higher recovery rates. The past averages based on standard treatment would be the floor from which the effectiveness of the diagnoses could be gauged. But, in the words of one researcher, "This floor turned out to be the ceiling." The predictions of the clinicians were inferior to the simple averages in 18 out of 20 studies and as good only twice!

Further studies showed no correlation between the amount of training and experience a clinical psychologist may have and his or her accuracy. Surprisingly, one indicated that psychologists were no better at interpersonal judgments than individuals with no training, and sometimes worse.

Do such findings extend beyond the couch? Apparently so. A group of radiologists reading X-ray films failed to diagnose lung disease 30% of the time, although the symptoms were clear.

Dozens of such studies have made it clear that expert failure extends far beyond the investment scene. And the problems often reside in man's information-processing capabilities. Current work indicates he is a serial or sequential processor of data who can handle information in a linear manner; that is, he can move from one point to the next in a logical sequence. In building a model ship or a space station, there is a defined sequence of procedures. Each step, no matter how complex the particular technology, is linked to the preceding step and will be linked to the succeeding stage until completion.

However, the type of problem that proved so difficult to the professionals we just examined was quite different; here configural, or interactive, rather than linear, reasoning was required for the solution. In a configural problem, the decision maker's interpretation of any single piece of information changes depending on how he evaluates many other inputs. Take the case of the security analyst: Where two companies have the same trend of earnings, the emphasis placed on growth rates will be weighed quite differently depending on their respective industries and their financial strength. In addition, the assessment will be tempered by the dividend trend, the current payout ratio, profit margins, returns on capital and the host of analytical criteria we looked at previously. The evaluation will also vary with changes in the state of the economy, the level of interest rates and changes in the companies' competitive environment. Thus, a successful investor must be adept at configural processing, integrating many diverse factors, since changes in any may require a revision of the total assessment.

Not unlike juggling, each factor weighed is another ball in the air, increasing the difficulty of the process. How good, then, are professionals, both within and outside the investment field, at conducting this type of reasoning?

Curious about what results would be found in the stock market, Paul Slovic, a respected researcher in this area, devised a test to see how important configural (or interactive) reasoning actually was in the decisions of market professionals. In one study 13 stockbrokers and 5 graduate students in finance were given 8 important financial inputs (trend of earnings per share, profit margins, outlook for near-term profits, etc.) that they considered significant in analyzing companies. The optimum solution could only be found in a configural manner. As it turned out, configural reasoning, on average, accounted for only about 4% of the decisions made—results roughly equivalent to those of the radiologists and psychologists.

Moreover, the emphasis the brokers initially said they put on various inputs varied significantly from what they actually used in the experiment. For example, someone considering the trend of earnings per share over time most important might actually place greater emphasis on near-term prospects. Finally, the more experienced the brokers, the less accurate the assessment of their own scales of weighting appeared to be. The evidence indicates that most people are low-level configural processors, in or out of the marketplace.

In light of what we have just seen, we might ask how dependable current investment methods actually are. To answer this question, let's look more thoroughly at the manner in which a company is evaluated by fundamental analysis. Suppose, for example, an analyst decides to examine Aetna Life & Casualty. How will he go about it?

Examining the company's financial statements, one sees it as a gigantic operation. In 1977 it had revenues of $8.1 billion, $408 million in net income after taxes, 30,700 home office employees and 24,000 agents. It writes group insurance for one out of ten workers in the country, automobile insurance for 4.8 million drivers as well as homeowner's insurance for 1.4 million dwellings. But these are only openers: It also writes 27 other major property and casualty insurance lines, many dozens of different policies in life, health and pension areas, and it is engaged in several other, nonrelated ventures as well.

Since it is generally accepted that the most important determinant of value is an assessment of the company's earnings power, the analyst will probably start here. To do his job properly, he'll have to look at many dozens and possibly hundreds of inputs.

In the case of Aetna, he normally will review in some detail the recent history and prospects of each of its major lines. If he is the thorough type—and most of the dying species of institutional analysts are—he will go further, possibly getting breakdowns from management on how each of these lines is faring in important states. But much of the information he is able to ferret out has a high degree of uncertainty attached to it.

Facts provided to him by management as the basis for his various estimates are partial or incomplete at best and sometimes prove to be entirely incorrect. Varying amounts of information are normally available about individual lines. Obviously, no company will relate all the necessary profit and loss and claim experience data to an outsider.

The analyst may be told that the automotive property line is "up nicely" or that automobile liability is "so-so." If he asks how one should translate a "so-so" or "up nicely" into a reasonable earnings estimate, more times than not he'll be met with a shrug and told it's corporate policy not to divulge the information, and once in a while he'll be told, "That's your problem."

In any case, the analyst is left on his own. He must rely on personal judgment, deciding whether "nicely" means up 10% or 30%, or "so-so" means flat or down sharply. Checks can be made with trade sources and the competition, but the information provided will also be qualitative and sometimes misleading. Thus the analyst's judgment is extremely important at every stage of the assessment.

In analyzing an insurance company, it is also important to evaluate the appropriateness of the current rate structure. Because of competition and rising inflation, there is a large element of doubt about how good rates actually are. Even company officers can often be wrong in their assessments. In the 1973-74 period, for example, the insurance industry badly misjudged the consequences of rising inflation in its property-casualty business and did not increase rates sufficiently, taking enormous losses as a consequence. Yet, at the time, most managements believed their rate structures were sound.

Forecasting the earnings of a large industrial company is not much easier. Often operating in hundreds of different markets, many of which produce intermediate products, sometimes in up to 100 separate countries, the analyst is bombarded with difficult-to-quantify information on competitive conditions, capacity utilization rates and pricing. What will be the effect on Ford of a new compact introduced by GM or a sports car by Volkswagen? How badly will DuPont polyester operations be hurt if Celanese cuts prices on one or two grades of polyester tire cord? All pertinent information must be synthesized and evaluated in order to arrive at the earnings estimate.

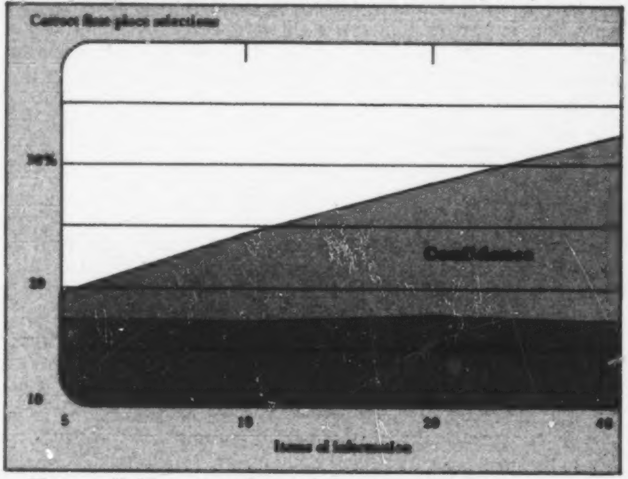
Earnings forecasting then depends on large numbers of assumptions, many of which are rapidly changing and very hard to quantify, which means their accuracy is always in doubt.

In addition to the forecasting problems, the harried analyst must also assess the quality of management, the company's expansion plans, its finances, the probable dividend rate, the quality of its accounting and dozens of other vital factors. And all estimates are contingent on general economic conditions, which means correctly gauging the level of interest rates, unemployment, inflation, industrial production, capital spending and other important variables. Economists themselves are as often wrong as they are right in these estimates.

Finally, even if the analyst could surmount all of these obstacles, he would still need to know as much about other companies in order to determine whether the company he chose represented the best value. Ideally, the professional needs to have information-processing capabilities not unlike those of a large-scale computer. He must have a central storage file for massive amounts of information of a political, economic, industry, market and company nature; he must update and cross-reference it as numerous new and sometimes contradictory developments occur. The Bionic Man might be capable of as much, but work in the behavioral sciences pretty clearly indicates that most human beings are not.

But the requirements of the theory do not end here. One also needs a very high level of configural or interactive reasoning in order to apply different weights to the scores of factors upon which the analysis is contingent. And we've already seen that man is simply not a good configural processor of information. The reach of conventional investment theory may very well exceed the grasp of many of us to use it properly. Under conditions of complexity and uncertainty, experts demand as much information as possible to assist them in decision making. But as I've indicated, that extra "edge" may not help. A large number of studies have shown pretty conclusively that increasing the amount of information available to an expert decision maker doesn't do much to improve his judgment.

In one experiment, eight veterans of the racing forms were progressively given 5 to 40 pieces of information they considered most important in picking winners. As the following chart shows, the degree of confidence rose directly with the level of information, but the number of winners, alas, did not.



The parallel between this and the investment scene is striking. Wall Streeters place immense faith in the detailed analysis of its experts. In-depth research houses turn out thousands upon thousands of reports, sometimes running up to a hundred pages or more and sprinkled with dozens of tables and charts. Washington listening posts have been set up to catch the slightest indications of impending changes in government policies affecting companies or industries, and scores of conferences are called to provide the money manager with penetrating understanding in dozens of important areas.

The more detailed his level of knowledge, the more effective the expert is considered. A few years back, for example, a leading investment magazine related the story of an analyst so knowledgeable about Clorox that "he could recite bleach share by brand in every small town in the Southwest and tell you the production levels of Clorox' line number 2, plant number 3. But somehow, when the company began to develop massive problems, he missed the signs." As in the case of the psychologists and the experts of the racing sheets, the amount of information available had little to do with the outcome. The stock fell from a high of 53 to 11.

This outcome is unfortunately no exception. To quote a disillusioned money manager several years back: "You pick the top [research] house on The Street and the second top house on The Street—they all built tremendous reputations, research-in-depth, but they killed their clients." Perhaps *in-depth information does not mean in-depth profits.*

I hope it is becoming apparent that these configural relationships are extremely complex. Investors are not dealing with 24 or 57 relevant interactions, but with an exponential number. We have already seen how experts working with far fewer inputs have proven remarkably inadequate at interactive judgments. Because these psychological findings are largely unknown on Wall Street, investment experts continue to be convinced that their major problems could have been handled if only those extra few necessary facts had been available. They thus tend to overload themselves with information, which usually does not improve their decisions but only makes them more confident and more vulnerable to serious errors.

A famous market theorist of another era, Garfield Drew, saw the end result of this problem clearly. In 1941 he wrote: "In fact, simplicity or singleness of approach is a greatly underestimated factor of market success. As soon as the attempt is made to watch a multiplicity of factors even though each has some element to justify it, one is only too likely to become lost in a maze of contradictory implications . . . the various factors involved may be so conflicting that the conclusion finally drawn is no better than a snap judgment would have been."

Under conditions of anxiety and uncertainty with a vast interacting information grid, the market can become a giant Rorschach test, allowing the investor to see any pattern he wishes. In fact, recent research in configural processing has shown that experts can not only analyze information incorrectly, they can also find relationships that aren't there—a phenomenon called "illusionary correlation."

The complexity of the marketplace naturally leads to an attempt to simplify and rationalize what seems to be unfathomable reality. Often investors notice things that are simply coincidental, and then come to believe that correlations exist when none are actually present. And if they are rewarded by the stock going up, the practice is further ingrained. The market thus provides an excellent field for illusionary correlation. The head-and-shoulders formation on a chart cuts through thousands of disparate facts that the chartist believes no man can analyze. Buying growth stocks simplifies an otherwise bewildering range of investment alternatives, just as the Kondratieff wave occurring every 50 years clarifies economic activity which might otherwise appear to defy analysis. Such patterns, which seemed to have worked in the past, are pervasive in the marketplace. The problem is that some of the correlations are illusionary and others are chance. Trusting in them begets a high risk of error. A chartist may have summed it up appropriately: "If I hadn't made money some of the time, I would have acquired market wisdom quicker."

Now, unquestionably, there are people with outstanding gifts for abstract reasoning that permit them to cut through enormously complex situations. Every field will have its Bernard Baruchs or Warren Buffetts, its Bobby Fischers or Anatoly Karpovs. But these people are decidedly few. In chess, for example, there is only one Grand Master for every few hundred thousand or so players. And even Masters or Experts, while more plentiful, still represent only a fraction of those who pursue the game regularly. It seems, then, that, as in chess, the information-processing capabilities and the standards of abstract reasoning required by current investment methods are too complicated for the majority of us, professional and amateur alike, to use to beat the market regularly.

At this point, some of you might ask whether the problems in decision making, particularly in the stock market, are not being exaggerated. The answer, I think, can be found by looking at the favorite investments of market professionals over time.

What is the record? Let's start with a large international conference of institutional investors held at the New York Hilton in February 1970. Over 2,000 strong, the delegates were polled for the stock they thought would show outstanding appreciation that year. The favorite choice was National Student Marketing—the highest-octane performer of the day. From a price of 120 in February, it dropped 95% by July of that same year. At the same conference in 1972, the airlines were selected as the industry expected to perform best for the balance of the year. Within 1% of their highs, the carrier stocks fell 50% that year in the face of a sharply rising market. The conference the following year voted them a group to avoid.

Are these simply chance results? In my earlier book, *Psychology and the Stock Market*, I included seven surveys of how the favorite stocks of groups of large numbers of professional investors had subsequently fared. In all the surveys, the choices of the professionals did worse than the market averages. And this before adding on commission charges and advisory fees.

As I indicated at the time, these were the only samples I had been able to locate. Since publication, with further digging and an excellent research associate—Ms. Nan Miller—as well as some luck, we have unearthed a large number of additional samples—some 51 encompass investment advice given over the almost 50-year period between 1928 and 1976. The surveys show the favorite stock or portfolio of groups of professional investors. The number of professionals participating ranged from 25 at the low end to as high as several thousand. The median was well over 100. Wherever possible, the subsequent performance of the professional choices was measured against the S&P's 500 for the next twelve months.

The results are presented in the table below. The first column shows the time period for each set of surveys, the second the source of the survey, the third the total number of surveys conducted and the final column the percentage of each set of surveys that outperformed the market in the next 12 months.

Expert forecasts of favorite stocks and industries

Time span	Source of surveys	Total surveys	% outperforming market in next year*
1929-32	Cowles Surveys	3	0%
1953-76	*Trusts and Estates*	21	33
1967-69	*Financial Analysts Journal*	1	0
1967-72	*California Business*	7	29
1969-73	*Institutional Investor*	7	0
1973	*Business Week*	2	50
1974	*Seminar* (Edson Gould)	2	0
1974	Callan Associates	4	0
1974-76	Mueller Surveys	4	25
Total number of surveys		51	
Percentage of professional surveys *underperforming* market 77			

*Several studies utilized differing time periods and market averages in the comparisons. Note: Dividends excluded in all comparisons.

The findings startled me. While I believed the evidence clearly showed that experts make many mistakes, I did not think the magnitude of error was as striking or as consistent as the results make evident.

Seventeen of the studies measure the performance of five or more stocks the experts picked as their favorites. By diversifying into a number of stocks instead of just choosing one or two, the element of chance is reduced. And yet, the 17 portfolios so chosen underperformed the market on 15 occasions! This meant, in effect, that when you receive professional advice about stocks to buy, you would be given bad advice nine out of ten times. Throwing darts at the stock pages blindfolded or flipping a coin to decide what to buy would give you a 50-50 chance. Using a financial professional shortened your odds considerably.

The other 34 samples did not do appreciably better. Overall, the favorite stocks and industries of large groups of money managers and analysts did worse than the market on 39 of 51 occasions—or 77% of the time—as the table shows.

One of the first studies was done by Alfred Cowles, among the earliest systematic students of markets, who made three separate studies measuring the forecasting record of investment advisers, large insurance companies, brokers and bankers between 1928 and 1932. All underperformed the market.

Another important survey is based on polls conducted by *Trusts and Estates* over a 21-year period. Each year a large number of investment officers with bank trust departments (as a group, the largest institutional common-stock investors) were asked to name their three favorite industries for the next year. The "Trusts and estates" table gives the results for the 1953-76 period. The favorite industry of most bank portfolio managers did worse than the market in 14 of the 21 years, or 67% of the time. It's also interesting, since there are dozens of industries to choose from, that one industry—office equipment—was favored so often.

Trusts and estates

Subsequent 12-month performance of favorite industry

Year	Favorite industry	Performance over the next 12 months Industry	 S&P's 500
1953*	Electric & gas public utilities	1.0%	-6.6%
1957	Oil	-16.0	-14.3
1958	Electronics and electric utilities	75.0	38.1
1959	Oil	-9.7	8.5
1960	Auto and accessories	-26.6	-3.0
1961	Office equipment and machine group	31.0	23.1
1962	Chemicals, office equipment, banks	-17.1	-11.8
1963	Electric utilities	6.9	18.9
1964	Chemicals	15.6	13.0
1965	Chemicals	4.3	9.1
1966	Oil	-10.6	-13.0
1967	Utilities	4.7	20.1
1968	Office equipment	-0.9	7.7
1969	Office equipment	15.6	-11.4
1970	Office equipment	-17.5	0.1
1971	Building materials	5.5	10.8
1972	Retail	11.7	15.7
1973	Office equipment	-21.5	-17.4
1974	Office equipment	-37.0	-29.7
1975	Office equipment	27.7	31.5
1976	Oil	29.0	19.1
	Percentage underperforming market	67	

*No surveys conducted in 1954, 1955 and 1956.

Moving on to more recent times, a number of broad surveys have been conducted by *Institutional Investor*, a magazine widely read by the professionals. In late 1971, for example, the magazine polled more than 150 money managers in 27 states, each of whom chose the five stocks he or she believed would show the best performance the following year. Different types of money managers were surveyed, ranging from the people who ran hair-trigger performance funds to conservative bank and insurance types. The magazine indicated that although 400 stocks were selected overall, there was a remarkable consensus regarding the top 10 favorites, which were weighted toward concepts popular at the time.

The top ten fizzled in a rising market, gaining only 1.3% in 1972, a year the S&P's averages rose 15.6%. For the two-year period, the favorites declined almost eight times as much as the averages. After the top ten that year, 50 runners-up were named. They did even more poorly, declining an average of 5% in 1972 and ten times as much as the market in the 1972-73 period.

The 1973 top ten

Company	Price 1/1/73	 12/31/73	% change	Price 12/31/74	% change from 1/1/73
IBM	321⅝	246¾	-23.3%	168	-47.8%
Polaroid	126⅛	69⅞	-44.6	18⅝	-85.2
ITT	60¼	26⅜	-56.2	14¾	-75.5
Teleprompter	33¼	3⅞	-88.3	1½	-95.5
Eastman Kodak	148⅜	116	-21.8	62⅞	-57.6
Gillette	63⅞	35⅞	-43.8	25⅜	-60.3
McDonald's	76¼	57	-25.2	29⅜	-61.5
Motorola	65½	49¼	-24.8	34⅛	-47.9
Digital Equipment	91¾	101⅞	+11.0	50¾	-44.7
Levitz Furniture	26⅞	3⅝	-86.5	1¾	-93.5
Average change			-40.4		-67.0
S&P's 500 (without dividends)	118.1	97.6	-17.4	68.6	-41.9

Note: All companies adjusted for stock splits.

Another survey was conducted the next year, 1973. It was a down year for the market and Standard & Poor's dropped 17.4%, hardly a ripple compared with the average decline of 40.4% for the top ten *(see table)*. After the top ten, 27 other stocks were also selected for performance that year, and again they did worse than the average. The surveys were discontinued after 1973.

A final survey conducted by Callan Associates, a West Coast consulting firm, is worth noting *(see table)*. Three dozen investment managers were asked at the end of 1974 to pick both their favorite six stocks and favorite industry and at the same time the six stocks and single industry they thought would do worst in the following year; there were some rather extraordinary results. The "worst" stocks and single industry did better than the S&P's, while the "best" did worse.

Callan Associates survey (12/31/74)

Performance over the next 12 months	
Six-stock portfolio to buy	+20.7%
Favorite industry—drugs	+ 2.8%
Worst six stocks	+42.9%
Worst industry—electrical and electronics	+42.0%
S&P's 500	+31.5%

More recently, professionals have been reluctant to participate in such polls. When asked to name his favorites, one analyst replied tersely: "We don't make this information available free anymore."

What do we make of results such as these? The number of samples seems far too large for the outcome to be simply chance. In fact, the evidence indicates a surprisingly high level of error among professionals in choosing both individual stocks and portfolios over a period spanning almost 50 years.

Such evidence, in the first place, is incompatible with the central assumption of the efficient market hypothesis.* But far more important are the practical implications of what we have just seen: the discovery of a very plausible explanation of why fundamental methods often do not work. The theory demands just too much from man as a configural reasoner and information processor. Both within and outside of markets, under conditions of information overload our mental tachometers appear to surge far above the red line. When this happens, we no longer process information reliably. Confidence rises as our input of information increases, but our decisions are not improved. And from the evidence we've seen in the stock market at least, they appear to deteriorate.

While it is true that experts may do as poorly in other complex circumstances, the market professional unfortunately works in a goldfish bowl. In no other calling that I am aware of is the outcome of decisions so easily measurable.

The high failure rate among financial professionals, at times approaching 90%, indicates not only that errors are made but that, under certain complex conditions, there are systematic and predictable forces working against the unwary investor to account for such extraordinarily poor results. ■

** The hypothesis states that it is impossible to beat the market because of the competition between professionals, which results in prices always being about where they should be. But just as the theory holds that even professionals cannot outdo the market over time, it also holds that they cannot do substantially worse. After all, it is their very decision making that keeps prices at their proper level in the first place. The surveys, however, give us a different picture from the one assumed by the theorists. The massive underperformance in both up and down markets indicates that their most crucial assumption is inconsistent with a statistically significant body of evidence. Findings such as these appear to indicate that the hypothesis is built of straw.*

How can you profit from the fact that the experts are wrong more often than right? By buying the stocks they don't like, says David Dreman, and he names 123 of them for us.

How to play against the experts and win

Statistical Spotlight

In his fascinating new book, David Dreman explains why the professionals are usually wrong about the stock market *(see p. 117)*. One reason: Human beings are simply unfitted to process all the information necessary to reach a reliable judgment on the future of a company or of an economy. Another reason is the famous herd tendency. Like ordinary people, experts don't like to feel alone. They want reinforcement. And where do they find it? In the company of their peers—no matter that their peers are as confused as they. There's certainty in numbers. That explains the great Holland tulip-bulb mania of the 17th century and the great growth-stock mania of the early 1970s.

If the experts can't beat the market, what hope for the ordinary investor? Plenty, says Dreman. Play against them. How do you do that? By putting your money in stocks the so-called smart money shuns—stocks with low price/earnings ratios. Aren't there reasons for their low prices? Yes, but the reasons are probably wrong or overestimated or about to change.

There are two key phrases in Dreman's philosophy. One is "regression to the mean." Put simply, this says that very low or very high numbers will tend to move back toward middle ground. This, Dreman says, is why high-multiple growth-stock investing is a loser's game: You are paying a premium for extremely good results, which probably cannot last—regression to the mean. The opposite is true if you buy out-of-favor stocks; the chances are good that these low-multiple companies will, over time, improve their low profitability—again, regression to the mean.

The other key phrase is "the quagmire of visibility." By this Dreman means you'll get in trouble if you put too much store in your ability to predict the future. When you buy high-P/E stocks, you are assuming their future is highly visible. In fact, it is not. You are, therefore, paying a premium for an illusion.

By now the reader will have gotten the point: Buy low-price/earnings-ratio stocks. In chart after chart and table after table, Dreman makes the case that high-P/E stocks generally *under*perform the market while low-P/E stocks generally *out*perform it. Dreman does insert one judgmental factor: He specifies that the low-P/E stocks should be sound companies in good financial condition.

Does all this sound familiar? Of course. It's Benjamin Graham updated. Graham preached value, buying sound assets cheap through the stock market. Graham knew that, even though such companies might have lean years, their earnings would almost certainly come back. Regression to the mean, Dreman calls this. Dreman has restated Graham in terms of modern psychology and modern computer technology.

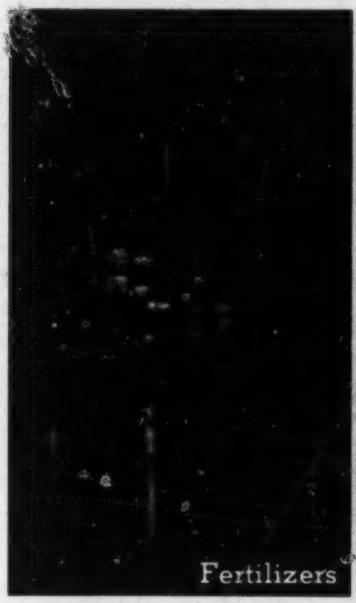
The test of any theory is its utility. Dreman is willing to subject his theories to the test. At Forbes' request he suggested we run a list of stocks whose price/earnings ratios based on the latest reported 12-months' earnings are in the lowest 20%. This is a strictly mechanical approach and over a three-year period, says Dreman, should produce superior results.

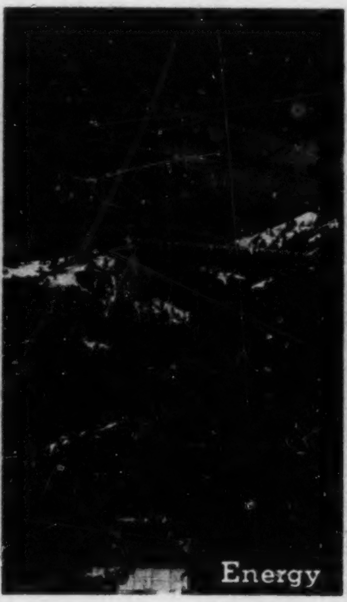
Will his list top the averages? Tune in in three years. ■

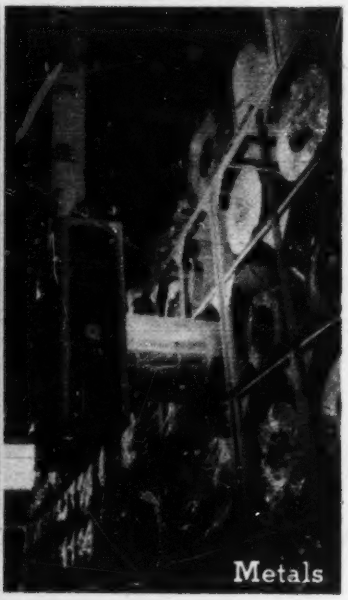
Dreman's basement bargains

Forbes fed David Dreman's low price/earnings ratio criteria into a computer, which promptly kicked out the following stocks as meeting them. The symbol (*) signals a change from a loss in 1977 to a profit in 1978.

Company	Price/ earnings ratio	Indicated yield	Payout ratio	Current ratio	Aftertax profit margin	Return on book value	Long-term debt as % of capital	EPS change 1977-78	Recent price	EPS latest 12 months
Wheeling-Pittsburgh Steel	1.2	—	—	1.7	1.64%	17.83%	35%	–154%*	18¼	$14.09
LTV	2.0	—	—	1.6	.50	180.95	97	–128*	7¾	3.80
White Motor	2.1	—	—	1.3	.03	9.20	27	–105	5	2.28
Avco	2.5	5.6%	14%	—	6.81	22.99	80	14	21⅜	8.30
Revere Copper & Brass	2.7	—	—	2.5	3.11	19.20	61	109	12¼	4.52
McLouth Steel	2.7	—	—	1.4	1.59	9.42	41	–164*	8¼	2.95
American Motors	2.8	4.2	11	1.4	.93	22.37	11	700	7⅛	2.54
Republic Steel	2.8	9.8	27	1.9	3.19	10.65	22	170	26⅛	9.28
AO Smith	2.8	8.2	23	1.8	3.34	14.20	15	62	17	5.88
Cyclops	3.0	5.7	17	1.7	2.54	15.49	36	138	21¼	7.06
CNA Financial	3.0	—	—	—	6.05	27.75	46	131	12¾	4.23
Bethlehem Steel	3.1	7.2	22	1.7	3.63	13.23	28	–1326*	22⅛	7.13
Sheller-Globe	3.1	8.6	27	2.8	2.74	15.73	43	–3	8⅛	2.58







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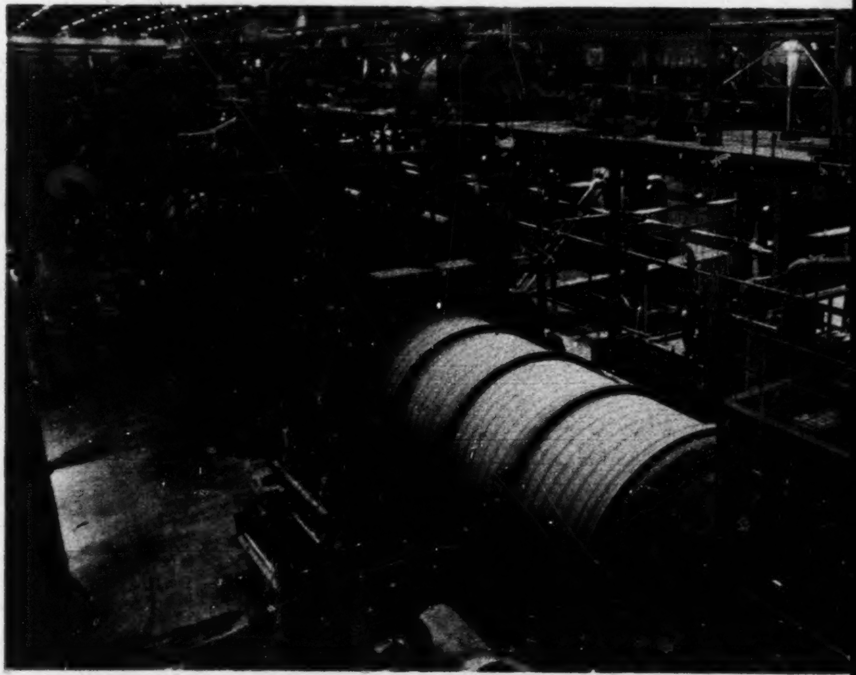
Dreman's basement bargains

Company	Price/ earnings ratio	Indicated yield	Payout ratio	Current ratio	Aftertax profit margin	Return on book value	Long-term debt as % of capital	EPS change 1977-78	Recent price	EPS latest 12 months
Dayco	3.1	4.0%	12%	2.4	2.65%	23.70%	59%	17	13⅞	$ 4.41
Seaboard Coast Lines	3.1	8.5	27	1.0	3.55	9.93	48	–33	25¾	8.10
Borman's	3.1	4.6	14	1.1	.46	12.13	49	1311	4⅜	1.37
Allegheny Ludlum Industries	3.2	5.6	17	1.8	2.55	26.49	63	–16	22⅞	7.13
Gulf & Western Industries	3.2	5.0	16	1.7	4.30	20.08	63	21	14⅞	4.62
Fuqua Industries	3.2	3.2	10	1.7	1.81	44.25	67	31	13⅞	4.24
DPF	3.2	—	—	—	1.99	21.69	73	59	8	2.43
Asarco	3.3	6.0	20	1.5	4.21	24.30	20	–253	25⅛	7.44
US Air	3.3	—	—	1.1	3.96	17.24	51	8	6⅞	2.03
US Home	3.4	4.1	14	—	4.23	31.19	54	91	12⅝	3.70
Ford Motor	3.4	10.7	36	1.3	3.71	13.89	12	–5	37¼	10.90
Reynolds Metals	3.4	7.1	24	2.4	4.16	16.99	46	32	31⅛	8.93
Loews	3.4	2.1	7	—	5.19	28.10	61	41	56⅛	16.12
BF Goodrich	3.5	7.8	27	2.2	2.70	10.73	35	11	18⅜	5.23
GDV	3.5	—	—	1.6	3.52	24.38	69	68	9⅛	2.59
A-T-O	3.5	5.3	18	2.4	2.46	20.46	64	45	9	2.53
City Investing	3.6	6.6	24	1.7	2.96	23.15	75	36	18¼	4.96
Wallace-Murray	3.6	6.8	25	3.1	5.47	25.56	36	–2	23⅝	6.40
Rapid-American	3.7	3.5	13	2.5	1.51	—	100	53	17¼	4.59
Intl Harvester	3.7	6.9	25	1.6	2.80	15.79	29	–10	36⅛	9.63
Stop & Shop Cos	3.8	7.9	29	1.4	.90	13.73	59	34	15¼	4.01
Norfolk & Western Ry	3.8	8.5	32	1.3	10.20	14.83	28	8	22½	5.88
Royal Dutch Petroleum	3.8	7.3	28	1.4	5.48	—	100	–10	75⅛	19.65
Kaiser Aluminum & Chem	3.8	6.3	24	1.6	5.90	20.58	43	29	19	4.96
Springs Mills	3.8	7.9	30	3.6	4.04	10.98	15	65	15⅛	3.93
EF Hutton Group	3.8	4.6	17	—	5.41	20.49	28	50	17½	4.52
Fruehauf	3.8	8.6	33	1.5	3.41	18.80	43	24	27⅞	7.20



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our machinery and components are keys to operating reliability to a mine operator...

Today mining is tougher than ever. Mines are deeper, more remote. The ores are often low grade.

Miners must have reliable equipment. They find it in Rexnord equipment. In crushers; grinding mills; hoists; conveyors; components for mining machinery. All engineered for productive, trouble-free performance. And available worldwide.

Rexnord products are used in many industries—from chemicals and food processing to farm machinery and pollution control.

Company	Price/ earnings ratio	Indicated yield	Payout ratio	Current ratio	Aftertax profit margin	Return on book value	Long-term debt as % of capital	EPS change 1977-78	Recent price	EPS latest 12 months
Western Air Lines	3.8	4.9%	19%	1.0	4.61%	15.96%	63%	193%	8⅛	$ 2.09
National Gypsum	3.9	7.9	31	3.7	6.42	19.52	25	58	18¾	4.77
United Merchants/Mfr	3.9	—	—	2.3	1.52	21.05	78	−104*	7⅛	1.80
Raymond Intl	3.9	7.5	29	1.2	3.02	21.51	33	−17	13⅜	3.38
Zayre	3.9	—	—	1.6	1.00	10.54	60	24	11	2.77
Southwest Forest Industries	3.9	2.7	10	2.1	3.49	13.85	58	44	14¾	3.69
Bangor Punta	3.9	3.6	14	2.0	3.65	40.73	73	30	22½	5.63
Travelers	4.0	6.0	24	—	5.08	17.98	3	42	34⅝	8.64
Paine Webber	4.0	4.9	19	—	2.72	18.65	51	25	9	2.24
Crocker National	4.0	7.4	29	—	6.54	20.16	34	36	27⅛	6.72
Aluminum Co of America	4.0	5.3	21	2.2	7.51	22.40	33	50	52¾	13.08
Lear Siegler	4.0	5.5	22	2.3	4.76	38.31	41	31	18¾	4.59
Chessie System	4.0	9.1	37	.9	4.38	10.01	44	−10	25⅜	6.21
Chemical New York	4.0	8.8	36	—	5.13	12.92	38	11	35¾	8.76
Alcan Aluminium Ltd	4.0	6.5	26	2.2	8.14	22.21	30	43	37⅛	9.07
HF Ahmanson	4.0	5.7	23	—	11.46	16.38	67	12	21	5.13
JP Stevens	4.1	8.6	35	3.2	2.20	8.96	35	3	13⅞	3.38
National Steel	4.1	8.5	34	1.7	2.99	10.62	32	87	30½	7.43
US Gypsum	4.1	7.6	31	2.1	7.80	24.78	20	86	31½	7.66
Owens-Illinois	4.1	7.0	28	1.7	3.51	12.00	41	20	18⅛	4.39
Dillingham	4.1	5.3	21	1.5	1.52	17.56	44	108	11⅜	2.75
Memorex	4.1	—	—	2.0	6.62	27.14	53	7	21⅞	5.26
Cummins Engine	4.1	6.2	25	1.8	4.23	13.44	28	−7	29⅛	6.98
Celanese	4.1	7.6	31	1.8	4.29	17.11	37	61	42	10.03
Eastern Air Lines	4.1	—	—	1.0	2.82	9.28	72	110	6⅛	1.46
Charter	4.2	1.5	6	.9	1.16	165.76	67	24	41⅜	9.83
Inland Steel	4.2	9.4	39	1.7	4.87	12.79	35	79	31¼	7.42
Cone Mills	4.2	6.0	25	3.6	5.82	16.29	9	−8	30	7.12

and the miner's productivity.

Nordberg mine hoists assure maximum safety, reliability and efficiency.

Nordberg grinding mills proven reliability helps keep mining costs in line.

Gundlach crushers and breakers help cut cost of coal processing world-wide.

For more information, read our corporate brochure and the Rexnord annual report. For copies, write W. C. Messinger, Chairman, Rexnord Inc., P.O. Box 2022, Milwaukee, Wisconsin 53201.

Rexnord

Dreman's basement bargains

Company	Price/ earnings ratio	Indicated yield	Payout ratio	Current ratio	Aftertax profit margin	Return on book value	Long-term debt as % of capital	EPS change 1977-78	Recent price	EPS latest 12 months
Chase Manhattan	4.2	6.7%	28%	—	4.42%	14.96%	34%	50%	36	$ 8.50
SCM	4.2	5.7	24	2.3	2.69	13.69	38	—	22⅞	5.37
Amerada Hess	4.2	3.5	14	1.2	3.02	30.92	34	–20	40⅜	9.46
General Public Utilities	4.2	12.3	52	.8	10.46	8.73	61	–8	8⅛	1.90
National Can	4.2	3.7	15	1.9	2.03	17.64	42	–16	19½	4.54
Irving Bank Corp	4.3	7.5	32	—	6.17	14.38	34	20	32⅝	7.57
First Natl Boston	4.3	7.8	33	—	5.54	13.50	38	32	28⅛	6.48
El Paso	4.3	6.8	29	1.3	5.20	28.84	67	5	19½	4.46
Interlake	4.3	8.6	37	1.7	1.98	11.70	30	–2	25½	5.81
Consol Freightways	4.4	5.7	24	1.2	4.47	26.08	30	13	23	5.21
Collins & Aikman	4.4	9.1	40	2.2	4.16	11.99	12	4	7⅞	1.77
Dan River	4.4	6.1	27	3.6	2.52	12.88	33	21	16½	3.70
Hart Schaffner & Marx	4.4	8.5	37	3.9	2.96	10.04	20	16	10⅜	2.32
Wickes	4.4	7.0	31	1.8	1.79	15.67	52	26	14⅞	3.31
First Chicago	4.4	8.1	36	1.7	6.87	11.76	21	17	14⅞	3.31
American Airlines	4.5	4.1	18	1.2	4.91	9.41	64	99	9¼	2.16
Sperry & Hutchinson	4.5	6.5	29	1.2	3.81	19.66	22	37	15⅜	3.40
Hammermill Paper	4.5	7.6	34	2.6	2.85	12.02	41	33	18⅜	4.06
Aetna Life & Casualty	4.5	5.7	25	—	5.47	22.98	18	23	31½	6.96
US Shoe	4.5	7.8	35	1.9	3.51	17.94	29	38	18⅞	4.16
US Fidelity & Guaranty	4.5	6.7	30	—	10.96	27.38	—	32	35⅞	7.91
Bankers Trust NY	4.5	8.4	38	—	4.29	13.01	30	30	39⅛	8.62
Teledyne	4.5	—	—	1.8	10.17	46.19	24	29	123½	27.09
Lone Star Industries	4.5	6.0	27	2.1	4.15	17.60	38	51	23¼	5.09
General Motors	4.6	8.2	38	1.6	5.54	19.58	4	5	55⅞	12.09
Gamble-Skogmo	4.6	6.1	28	1.5	1.18	11.20	68	168	24¼	5.35
Mead	4.6	7.2	33	1.5	5.20	20.36	38	24	25⅛	5.42

More ways Rexnord helps the mining

Rex roller bearings stand up in severe mining service. Special seal prevents entry of dust and contaminants.

Rex pan conveyors economically handle hot materials such as sintered ore up to 2000° F.

Envirex industrial wastewater treatment equipment solves pollution problems in many mining applications such as acid mine drainage.

Company	Price/ earnings ratio	Indicated yield	Payout ratio	Current ratio	Aftertax profit margin	Return on book value	Long-term debt as % of capital	EPS change 1977-78	Recent price	EPS latest 12 months
PPG Industries	4.6	6.5%	30%	2.3	6.48%	18.31%	31%	15	30⅞	$ 6.65
Scott Paper	4.6	5.5	25	1.2	5.42	15.17	32	50	16¾	3.58
INA	4.6	6.9	32	—	5.00	19.06	25	26	4[illegible]⅜	9.25
Continental	4.6	8.0	37	—	9.91	17.91	11	20	25	5.34
Security Pacific	4.7	6.6	31	—	7.55	17.22	25	31	27¼	5.79
Colonial Penn Group	4.7	6.7	31	—	10.30	24.00	—	16	20⅞	4.44
Borg Warner	4.7	6.9	32	1.9	5.75	15.53	14	26	33⅜	7.09
Union Carbide	4.7	7.7	36	1.9	5.01	14.40	31	—	39⅛	8.29
National Detroit	4.7	6.3	29	—	11.60	14.67	11	28	31¾	6.74
Eaton	4.7	6.6	31	2.1	4.28	19.96	46	12	26	5.52
Crum & Forster	4.7	5.1	24	—	8.23	25.15	2	43	49	10.40
Amfac	4.7	5.6	26	2.1	2.82	16.87	50	184	21⅜	4.53
Reliance Group	4.7	4.3	20	—	8.06	43.09	72	38	46¼	9.76
Nashua	4.7	5.7	26	1.9	4.46	23.76	30	48	26½	5.60
Walter Kidde	4.7	4.5	21	2.6	3.65	20.26	50	19	35½	7.48
Transway Intl	4.7	8.0	38	1.7	3.40	19.44	20	6	22⅜	4.69
Armco	4.7	6.2	29	2.1	4.55	15.74	29	69	24¼	5.09
Wells Fargo	4.7	6.4	30	—	7.78	17.09	39	29	26⅞	5.63
Libbey-Owens-Ford	4.7	9.1	43	3.0	5.41	16.89	27	[illegible]	25⅞	5.42
North Amer Philips	4.7	6.4	29	2.6	3.11	14.69	24	10	27¾	5.80
Brown Group	4.7	8.0	38	2.9	3.40	15.56	26	22	25	5.23
Occidental Petroleum	4.7	5.2	24	1.0	.10	48.42	56	−120	24¼	5.06
Johns-Manville	4.7	8.4	40	1.8	7.37	12.46	39	17	22⅞	4.77
Manufacturers Hanover	4.8	7.5	36	—	6.92	14.56	35	8	30¼	6.25
Ball	4.8	6.1	29	2.0	3.62	16.65	41	13	22⅞	4.71
Hoover Universal	4.8	7.1	34	2.3	5.23	26.09	39	21	17⅜	3.57
First Charter Financial	4.8	5.1	24	—	14.77	13.35	54	8	15⅝	3.21
Ogden	4.8	6.3	30	1.5	2.96	18.97	55	17	31¾	6.51

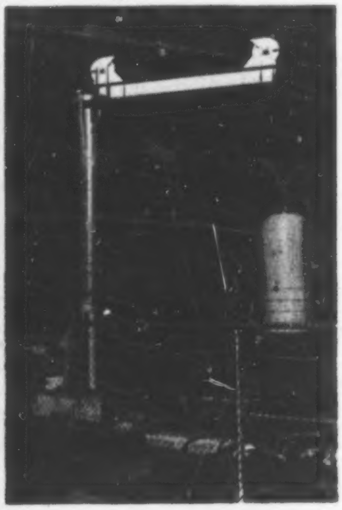
industry increase productivity.

Rexnord produces a broad line of components and machines for both underground and open pit operations.

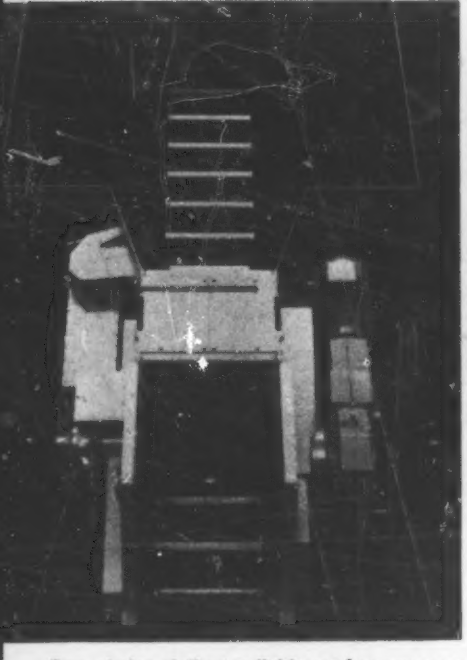
Rexnord equipment is engineered and built to operate with great reliability. At the same time, it is designed to produce maximum productivity and return on investment.

Rexnord products serve a wide range of industry, including forest products, construction, quarrying and more.

For more information, read our corporate brochure and our annual report. Write W. C. Messinger, Chairman, Rexnord Inc., P.O. Box 2022, Milwaukee, WI 53201.



Nordberg escape hoist systems provide designed-in dependability.



Rex chains deliver reliable performance on this feeder breaker machine.

Rexnord

It's not easy being a public utility these days—or one of its stockholders. If you are yield-shopping, you must dig deeper than before.

Risks that come with 12%

IT'S NO SURPRISE to find some electric utilities yielding 12% or even more these days. As their troubles with rate commissions, pollution laws and fuel prices have mounted, so have yields all through the industry. How solid those dividends are now, however, is another matter. Ohio Edison, for example, generated only enough cash internally last year to cover two-thirds of its common dividend of $1.76 per share. Its reported 1978 earnings of $1.19 per share included substantial noncash credits like allowances for funds used during construction (AFDC) and investment tax credits. It paid the balance of the dividend with borrowed money. That sort of thing cannot be counted on to continue indefinitely.

The table below lays out some of the major considerations affecting the safety and growth prospects for substantially all U.S. investor-owned electric utilities. Data were supplied largely by Dillon, Read & Co. and by Salomon Brothers.

The data lead off with Wall Street's judgment, graded on a scale of A+ (most favorable) to E- (least favorable), of the regulators each utility must deal with. These companies are as healthy as the revenues these regulators allow them to take in. Look at that a lot.

Next, look at the rating of the weakest preferred stock in the company's capital structure and note how well all such fixed charges—interest and preferred dividends—are covered by pretax profits. As calculated here, coverage *excludes* allowances for funds used during construction (AFDC), the most important noncash item in many utility income statements. Also, when comparing a utility's common dividend to its per-share earnings, keep an eye on AFDC's impact; it does allow the utility to include unfinished plants in its rate base, but you can't get paid directly out of a bookkeeping convention. Pay attention to how oil- and gas-dependent the utility is, bearing in mind, at the same time, its location. Big bills for OPEC oil combined with hostile regulators could be very bad news, but burning Texas oil in Texas might not be so bad (for nuclear dependence, see FORBES, *May 28*).

Consider the company's capital spending plans. This number constantly fluctuates, but it does give at least a rough measure of another claim on cash that comes ahead of the stockholder.

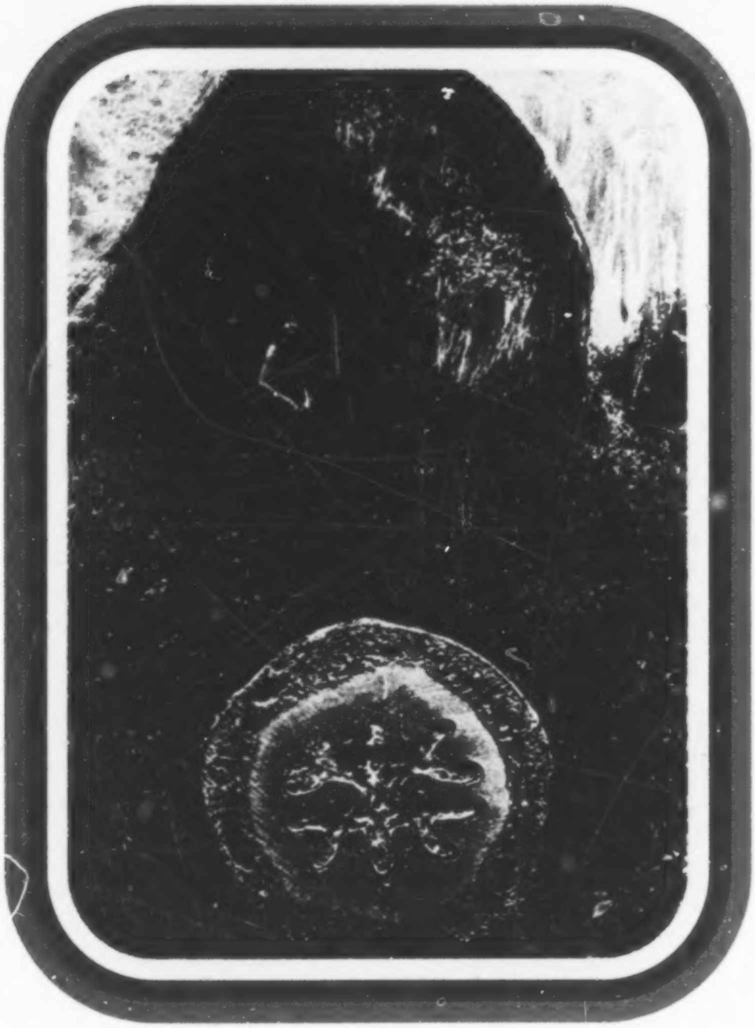
There are still other concerns, more than can possibly be dealt with in a table such as this one—for example, population growth and industrial versus residential load. But those below are some of the essentials. ■

Metering the utilities

Company	Regulatory rating (consensus)	Lowest-rated preferred (S&P's)	Fixed-charge coverage (pretax)	AFDC as % of net income	Oil & gas % total fuel, 1981	3-year construction budget (est per share)	Latest 12-month EPS	Indicated dividend	Recent price	Indicated yield
Allegheny Power	C-	A-	1.61*	50%	—	$25	$2.31	$1.76	14½	12.1%
American Electric Power	C-	BBB-	1.43*	40	1%	20	2.24	2.22	18½	12.0
Arizona Public Service	B	A-	1.71	36	14	35	2.74	2.00	18	11.1
Atlantic City Electric	B	BBB+	2.11	18	36	26	2.41	1.84	17⅝	10.4
Baltimore Gas & Electric	C	AA-	2.26	6	19	26	3.51	2.44	21⅝	11.3
Boston Edison	E	BB	1.51	35	64	41	3.51	2.44	20¼	12.0
Carolina Power & Light	B -	BBB	1.96	47	—	59	3.06	2.08	18⅞	11.0
Central & South West	B	AA	2.83*	28	64	28	2.28	1.42	13⅜	10.6
Central Hudson Gas & Electric	D	A-	1.94	25	96	25	3.09	2.08	18⅝	11.2
Central Illinois Light	C	A	1.97	7	—	33	2.39	1.70	14⅞	11.4
Central Illinois Public Service	C	AA	2.03	21	3	20	1.96	1.36	12⅜	11.0
Cincinnati Gas & Electric	C	A	1.88	29	1	24	2.67	1.96	16⅞	11.6
Cleveland Electric Illuminating	C	A	1.50	41	4	26	2.36	1.92	15⅞	12.1
Columbus & So Ohio Electric	C	BBB	1.10	51	1	20	2.60	2.32	20⅞	11.1
Commonwealth Edison	C	A-	1.59	50	10	37	2.99	2.60	21¼	12.2
Consolidated Edison	D	BBB	2.54	3	63	18	4.29	2.44	22¼	11.0
Consumers Power	D	BBB-	1.45	44	18	31	3.49	2.36	18⅞	12.5
Dayton Power & Light	C	BBB	1.46	46	1	25	1.94	1.74	14¾	11.8
Delmarva Power & Light	C	A	2.00	23	26	14	1.85	1.38	11¾	11.7
Detroit Edison	D	BB	1.42	45	10	29	1.97	1.60	13	12.3
Duke Power	B-	BBB	1.63	53	—	31	2.85	1.80	16⅞	10.7
Duquesne Light	C	BBB+	1.50	32	—	15	1.68	1.80	14	12.9
Florida Power	B	A	2.78	1	52	66	3.84	2.76	26½	10.4
Florida Power & Light	B	A+	2.57	16	72	50	4.06	2.40	24¾	9.7
General Public Utilities	C	BBB-	1.59*	52	NA	NA	1.90	1.00	8	12.5

*Composite based on figures for operating subsidiaries of parent company. NA: not available. NM: not meaningful.
Source: Dillon Read & Co.'s electric utility industry financial summary; Salomon Brothers

Container Corporation of America



Nobel Prize acceptance speech   Stockholm December 1950   Great Ideas   Artist/Jerry Uelsman

I believe that man will not merely endure
he will prevail
He is immortal
not because he alone among creatures has an inexhaustible voice
but because he has a soul
a spirit capable of compassion
and sacrifice and endurance

William Faulkner

For 11" x 14" reprint write:
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One First National Plaza
Chicago, Illinois 60603

Finding new ways to help

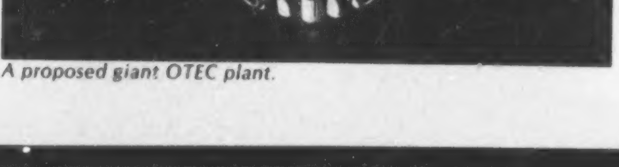
Lockheed knows how.

Taking power from the oceans.

The first sea-based generating plant fueled by the warm and cold waters of the ocean is now producing electricity off the island of Hawaii.

Barge-mounted, it is a small-scale version of the free-fuel concept called Ocean Thermal Energy Conversion (OTEC). Basically, the principle uses a flow of warm surface waters and cold deep waters to drive a heat-exchanging engine, which in turn powers electric generators.

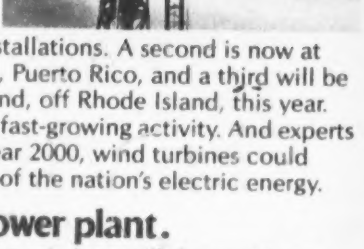
The small Hawaiian OTEC installation, for which Lockheed has major responsibility, produces only about 50 kilowatts. But it foretells huge OTEC platforms, each producing enough power for an onshore population of 100,000. In groups, the floating plants could generate all the electricity for major cities, using only the free ocean waters as fuel.



A proposed giant OTEC plant.

Harnessing the wind.

Atop a 100-foot steel tower in Clayton, New Mexico, two giant Lockheed-built blades are being wind-driven to furnish about 15% of the town's electric power.



The 60-foot-long blades are connected to a 200-kilowatt generator and rotate when the wind exceeds about 12 miles per hour, which it does most of the time.

A joint project of the Department of Energy and NASA, the Clayton wind turbine was the first of such installations. A second is now at work on Culebra Island, Puerto Rico, and a third will be operating on Block Island, off Rhode Island, this year.

Wind-harnessing is a fast-growing activity. And experts estimate that, by the year 2000, wind turbines could supply as much as 10% of the nation's electric energy.

Polishing up a power plant.

That future outer-space missions will demand huge amounts of electrical power is certain. So Lockheed is readying a large-scale, photovoltaic generating plant for its first test flight on board NASA's Space Shuttle in the early 1980s.

The project is being developed for Marshall Space Flight

solve the energy problem.

Center. In final operating form, it will be a giant, foldable, winglike array—13½ feet wide by 105 feet long—paved with 41 modules of tightly packed solar cells that convert the sun's energy into a hefty 12½ kilowatts of power.

The great, single array—largest ever in size and specific power output—may foreshadow large orbiting stations that transmit electric power from space to Earth.

It incorporates astonishing engineering. Its large but lightweight mass, positioned by a telescoping mast, folds into a spacecraft storage area 13½ feet long, only 2½ feet wide, and a mere 5 inches deep!

Making jetliners more fuel-efficient.

Now in many L-1011 TriStars is an exclusive fuel-saving system that's been called "the most significant advance since the autopilot."

This computer-controlled Lockheed Flight Management System automatically calculates altitude, speed and other factors. Then it acts physically, without pilot attention, to control engine throttles for optimum fuel-use efficiency throughout flight.

Control panel for Flight Management System.

The system isn't just for new L-1011s. It can easily be retrofitted into existing planes as well.

And the savings? Big. They could total millions of dollars over the life of each L-1011 TriStar.

Working to keep up our energy.

Lockheed scientists and engineers are hard at work on other energy projects.

They're investigating advanced fuel-cell power systems. They're studying ways to make liquid hydrogen the fuel for future hypersonic aircraft. And they're constantly looking at new applications concepts for solar energy.

When it comes to solving complex problems by using advanced technologies, Lockheed knows how.

Lockheed

Metering the utilities

Company	Regulatory rating (consensus)	Lowest-rated preferred (S&P's)	Fixed-charge coverage (pretax)	AFDC as % of net income	Oil & gas % total fuel, 1981	3-year construction budget (est per share)	Latest 12-month EPS	Indicated dividend	Recent price	Indicated yield
Gulf States Utilities	C-	A	1.77	46%	100%	$29	$1.63	$1.36	11⅜	12.0%
Hawaiian Electric	C	A	2.39	8	97	40	3.72	2.44	24¼	10.1
Houston Industries	A-	AA	2.49*	21	81	79	4.90	2.36	26½	8.9
Idaho Power	D	A	1.75	26	—	34	2.32	2.40	22⅛	10.8
Illinois Power	C	AA	1.97	35	5	31	2.64	2.28	18⅞	12.1
Indianapolis Power & Light	A	A+	2.23	6	1	21	3.53	2.12	21⅜	9.9
Interstate Power	C-	BBB	1.66	27	4	14	1.98	1.50	13¼	11.3
Iowa Electric Light & Power	C-	BBB	1.91	16	—	29	2.12	1.50	13	11.5
Iowa-Illinois Gas & Electric	C-	A	1.91	36	4	48	2.92	2.00	17⅜	11.5
Iowa Power & Light	D	A	1.73	39	2	39	3.39	2.52	21⅝	11.7
Iowa Public Service	D	A+	1.67	47	1	28	3.87	2.04	20	10.2
Kansas City Power & Light	D	A	1.67	54	4	35	3.36	2.66	22¾	11.7
Kansas Gas & Electric	C	BBB	1.54	54	43	39	1.58	1.90	15¼	12.5
Kansas Power & Light	C	AA-	1.86	56	27	43	2.79	1.96	16⅝	11.8
Kentucky Utilities	C+	A	1.85	2	—	53	2.86	2.04	18⅞	10.8
Long Island Lighting	C-	BBB	1.42	49	67	20	2.46	1.78	14⅞	12.0
Louisville Gas & Electric	B-	AA-	2.02	NA	—	42	2.27	2.06	18⅜	11.2
Middle South Utilities	D	BB	1.64*	80	78	33	2.39	1.52	13	11.7
Minnesota Power & Light	C+	A-	1.79	22	1	29	3.93	1.94	18⅝	10.4
Montana-Dakota Utilities	D	BBB	2.59	12	1	27	2.69	1.80	17	10.6
Montana Power	E	BBB+	1.96	8	2	47	2.59	2.04	19⅜	10.5
Nevada Power	C	BB	1.62	6	11	36	3.83	2.12	24⅛	8.8
New England Electric	C	A	2.20*	25	NA	31	3.56	2.24	19⅞	11.3
New York State Electric & Gas	D	BBB	1.65	24	—	33	2.63	1.76	15½	11.4
Niagara Mohawk Power	D	BBB	1.62	32	39	15	2.03	1.44	12⅜	11.6
Northeast Utilities	D	BBB	1.51*	43	47	7	1.32	1.10	9	12.2
Northern Indiana Public Service	A	A	1.61	41	3	34	1.90	1.50	13⅝	11.0
Northern States Power	C+	AA	3.00	[illegible]	3	30	3.52	2.28	21⅜	10.7
Ohio Edison	C	BBB	0.95	66	2	27	1.56	1.76	14⅛	12.5
Oklahoma Gas & Electric	B-	AA-	1.79	46	51	18	1.27	1.60	14⅛	11.3
Orange & Rockland Utilities	C	BBB	2.23	11	95	10	2.12	1.56	12⅞	12.1
Pacific Gas & Electric	D	A	1.64	36	35	30	3.81	2.44	21⅞	11.2
Pacific Power & Light	C-	BBB	1.72	27	—	38	2.40	1.92	17⅜	11.1
Pennsylvania Power & Light	C	BBB	1.48	48	14	39	3.37	2.04	17¾	11.5
Philadelphia Electric	C	BBB	1.42	49	23	18	1.92	1.80	14½	12.4
Portland General Electric	C	BB	1.09	59	1	25	1.43	1.70	14⅛	12.0
Potomac Electric Power	C	A	2.37	NM	30	13	1.68	1.40	11⅞	11.8
Public Service Electric & Gas	B	A+	2.20	18	24	32	3.02	2.20	18⅜	12.0
Public Service of Colorado	C	A+	1.70	29	7	31	1.40	1.60	13⅜	12.0
Public Service of Indiana	A	AA	2.14	40	1	53	3.75	2.32	22¾	10.2
Public Service of New Hampshire	C	BBB	1.79	43	53	20	2.88	2.12	15⅜	13.8
Public Service of New Mexico	B	A	1.72	41	25	57	2.55	1.92	18⅝	10.3
Puget Sound Power & Light	D+	BBB	1.63	25	2	48	1.83	1.64	13¾	11.9
Rochester Gas & Electric	C	A	1.74	34	1	25	2.36	1.48	14⅞	9.9
San Diego Gas & Electric	D	BBB	1.41	33	75	21	1.63	1.52	13⅜	11.4
Sierra Pacific Power	C	BBB	1.96	24	36	29	1.95	1.34	12¼	10.9
South Carolina Electric & Gas	C	A	1.67	48	15	19	1.84	1.68	14⅞	11.3
Southern California Edison	D	A	1.92	8	59	35	4.56	2.72	23⅞	11.4
Southern Company	D	BB	1.47*	75	8	32	1.36	1.54	12	12.8
Southwestern Public Service	B+	AA	2.24	16	55	17	1.50	1.28	11⅝	11.0
Tampa Electric	B	AA	3.01	4	20	10	2.20	1.44	16⅛	8.9
Texas Utilities	A	AA	2.39*	27	40	24	2.51	1.64	17½	9.4
Toledo Edison	C	BBB	1.54	45	—	32	2.83	2.20	18⅜	12.0
Tucson Electric Power	B	A	1.47	42	26	18	2.06	1.42	14⅛	10.1
Union Electric	D	BBB	2.01	26	—	26	1.76	1.44	12	12.0
Utah Power & Light	B	AA-	1.88	21	2	23	1.97	1.76	16⅞	10.4
Virginia Electric & Power	C	BBB	1.41	46	23	30	1.70	1.40	10⅞	12.9
Washington Water Power	D	A-	2.42	14	—	34	2.68	2.08	19⅞	10.5
Wisconsin Electric Power	B	AA	2.89	7	3	45	3.78	2.38	23⅝	10.1
Wisconsin Power & Light	B	AA	2.49	2	1	24	2.53	1.84	17⅞	10.3
Wisconsin Public Service	B	AA	3.35	—	1	36	2.86	1.72	17¼	10.0

*Composite based on figures for operating subsidiaries of parent company. NA: not available. NM: not meaningful.
Source: Dillon Read & Co.'s electric utility industry financial summary; Salomon Brothers

DECEMBER 10, 1979

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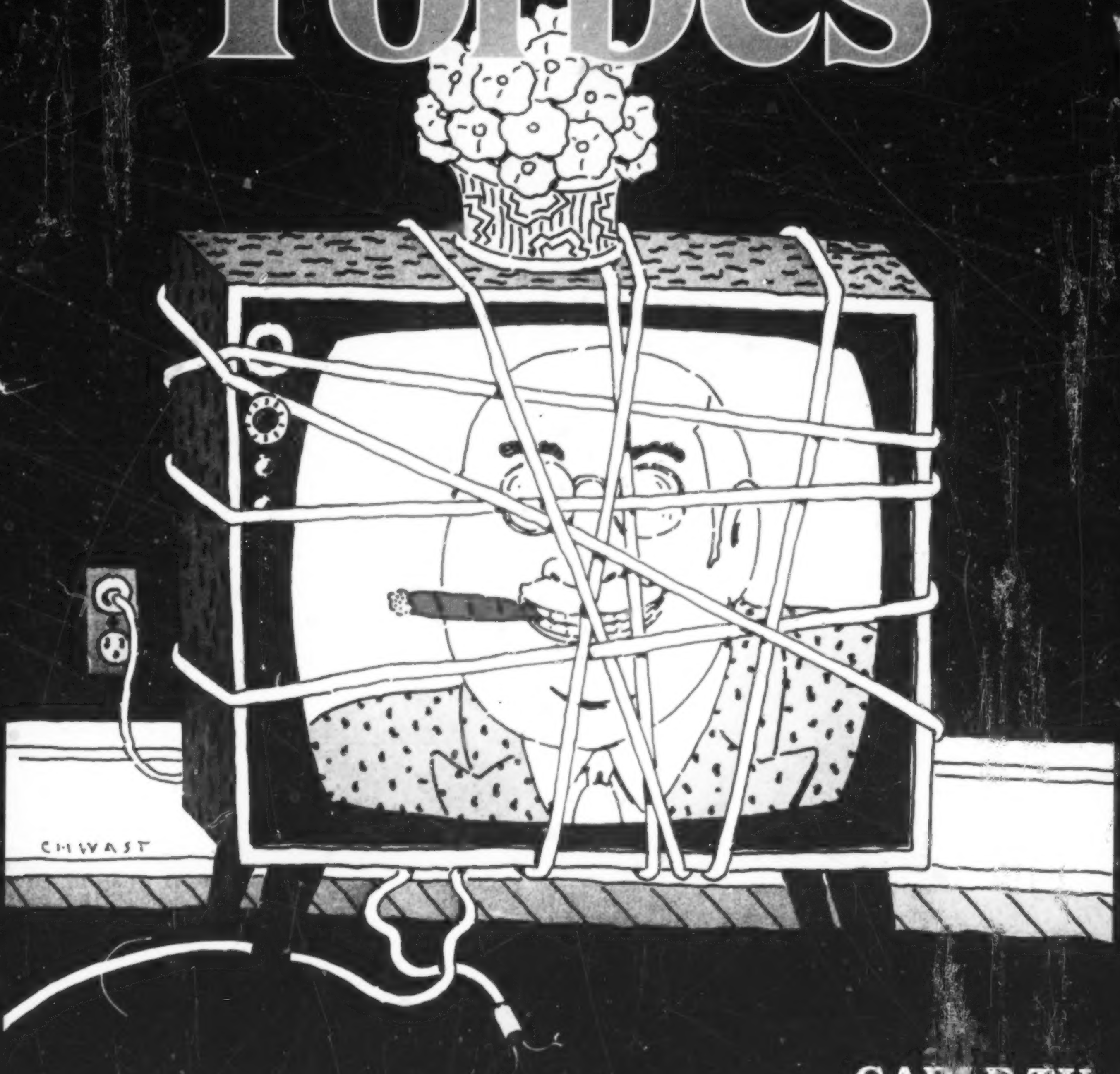

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It's neither dice nor numerology, but an easy way of identifying some interesting stocks.

Norman Weinger's triple sixes

IF YOU ROLL TWO SIXES in craps you're out of the game, but the stock market isn't quite the same as a crap game. So says Oppenheimer & Co.'s Norman Weinger, who thinks that if you can roll three sixes in a row you've got a stock that's worth buying. Using his own computer screen Weinger has come up with 138 stocks (listed on the NYSE, Amex and o-t-c markets) that meet his criteria.

Here's how Weinger, a certified public accountant turned financial analyst, defines his triple sixes:

1) A yield over 6%. This is comfortably above the 5.4% yield on the Standard & Poor's 400 industrials. His 138 issues average 8%. If the yield is less than 6%, off the list you go even if you meet the other two criteria.

2) A price/earnings multiple of 6 or less, again comfortably below that for the S&P's 400 industrials, which currently sells at 7.7 times trailing 12-month earnings. Weinger's list *averages* a P/E of 4.4.

3) A stock price that does not exceed 60% of book value. Compare this with the 117% ratio on the S&P's.

Weinger believes that his three-way approach to stock value offers strong protection to the investor. Look at it this way: His average stock yields 8%, sells at a P/E of 4.4 and at about half book value. That means it is producing a handsome yield, covered nearly three times over by earnings. Its earnings yield—the reciprocal of the P/E—is about 23%, which is comfortably above the inflation rate. And that big discount from book value means that you are buying a share in solid assets at a throwaway price. Each of these stocks is cheap, not just in one or two ways but by three measurements.

The doomsayers urge investors to buy collectibles—old baseball cards, Norman Rockwell lithographs, even yesterday's junk masquerading as antiques. Says Weinger: "At present prices these stocks on my triple-six list are the real bargain-priced collectibles."*—Robert J. Flaherty and Maria Latorraca*

Magic sixes?

While the overall stock market is cheap historically, these stocks screened by Oppenheimer & Co.'s computers appear cheaper still. Each one has a price/earnings ratio under 6, yields over 6% and sells for under 60% of book value.

Company	Current yield	Indicated dividend	Price/ earnings ratio	Latest 12-months EPS	Recent price	52-week price range	Book value*	Price to book	Debt/ equity†
American Fletcher	7.1%	$1.24	4.4	$3.92	17⅝	19 –16¾	$31.13	.56	22%
Ameron	7.4	1.20	4.4	3.66	16⅛	21 –15½	36.34	.44	63
Anchor Hocking	8.1	1.20	4.9	3.01	14⅞	21 –14⅛	26.36	.56	32
Armstrong Rubber	6.8	1.20	4.0	4.46	17¾	25⅞–17⅛	69.48	.26	70
Arvin Industries	9.2	1.12	4.4	2.78	12⅛	16½–11	22.70	.53	70
Atlanta Gas Light	10.2	1.44	5.0	2.81	14⅛	17⅛–13¾	24.44	.58	134
Atlantic Bancorp	6.1	0.80	4.7	2.78	13⅛	15 –11¼	24.52	.54	28
BancOhio	7.5	1.40	4.8	3.93	18¾	22½–18¼	36.39	.52	2
Bank of Virginia	8.8	1.16	4.1	3.22	13⅛	16 –12⅝	26.41	.50	82
Bankers Trust New York	8.4	3.30	4.6	8.62	39¼	48⅛–32⅞	70.33	.56	48
BayBanks	8.0	2.50	4.4	7.17	31⅜	34¾–28	54.78	.57	13
Berkline	9.3	0.50	4.2	1.27	5⅜	7⅜– 5⅜	12.60	.45	24
Blessings	6.8	0.54	3.8	2.12	8	9 – 6⅞	13.78	.58	49
Boston Edison	12.0	2.44	5.8	3.51	20¼	24¾–19⅞	38.49	.53	140
Brunswick	6.9	0.80	5.2	2.25	11⅝	15⅝–10⅞	21.88	.53	60
Burlington Industries	9.3	1.40	5.5	2.73	15⅛	18½–15	37.61	.40	43
Capitol Food Industries	6.7	0.20	5.1	0.59	3	5 – 2⅞	8.11	.38	47
CBT	9.2	2.20	4.1	5.92	24	29¼–22½	45.67	.53	45
Ceco	6.5	0.75	3.4	3.43	11½	17⅜–10⅞	30.17	.38	28
Central Soya	7.5	0.84	5.0	2.23	11¼	14⅜–11	19.25	.58	44

*Latest annual report plus earnings minus dividends to date. †Long-term debt/common equity.
Source: Standard & Poor's Compustat Service.

Magic sixes?

Company	Current yield	Indicated dividend	Price/ earnings ratio	Latest 12-months EPS	Recent price	52-week price range	Book value*	Price to book	Debt/ equity†
Centran	9.3%	$2.16	3.7	$6.29	23⅛	28½–22½	$44.60	.52	45%
Champion Products	6.5	1.00	4.6	3.34	15½	17¾–14	28.08	.55	42
Chemical New York	8.8	3.16	4.1	8.76	36	44¾–34	71.94	.50	58
City Investing	6.8	1.20	3.6	4.96	17¼	22 –13	37.85	.47	154
Cluett Peabody	6.8	0.60	4.9	1.80	8⅞	12½– 8⅝	21.57	.41	31
Collins & Aikman	9.3	0.72	4.4	1.77	7¾	10⅞– 7⅝	15.18	.51	12
Columbus Mills	8.0	0.32	3.0	1.33	4	7⅝– 3⅞	10.76	.38	27
Consolidated Edison of NY	11.1	2.44	5.1	4.29	22	25 –21	43.57	.50	106
Cook Industries	6.8	0.40	5.8	1.01	5⅞	8⅛– 5¼	10.47	.56	75
Cooper Tire & Rubber	7.8	0.80	3.7	2.79	10¼	17 –10⅛	27.59	.37	56
Craddock-Terry Shoe	6.9	0.66	4.9	1.93	9½	12⅝– 7⅜	19.25	.49	37
Crompton & Knowles	6.9	1.04	5.1	2.96	15	18¼–12⅝	26.13	.57	66
CrownAmerica	11.4	0.50	4.5	0.97	4⅜	6¾– 4	9.89	.44	23
Cummins Engine	6.3	1.80	4.1	6.98	28¾	39¼–27⅞	55.57	.52	31
Danly Machine	8.8	1.80	3.3	6.15	20½	24¼–16½	37.02	.55	44
Dibrell Bros	7.3	1.00	4.4	3.11	13¾	16¼–13	25.16	.55	19
Donovan Cos	11.0	0.96	5.8	1.51	8¾	11¼– 7½	19.76	.44	73
Douglas & Lomason	6.2	0.60	3.5	2.74	9⅝	12¼– 9½	26.74	.36	33
Equimark	10.2	0.96	5.3	1.77	9⅜	11½– 9	28.71	.33	39
Firestone Tire & Rubber	6.9	0.60	5.1	1.70	8¾	13⅞– 8½	24.94	.35	49
First & Merchants	8.1	1.60	4.5	4.44	19⅞	23 –17¼	36.66	.54	43
First Atlanta	7.7	0.88	4.6	2.47	11⅜	14½–10¾	21.94	.52	52
First Chicago	7.9	1.20	4.6	3.31	15⅛	19⅞–14⅜	29.51	.51	28
First National Bancorp	6.5	1.08	4.2	3.94	16½	20¾–16	27.53	.60	27
First National Boston	7.7	2.20	4.4	6.48	28⅝	33½–25	51.49	.56	71
First National State Bancorp	10.8	2.20	4.7	4.29	20⅜	25¼–20⅜	36.91	.55	28
First Union Bancorp	8.1	2.20	4.5	5.97	27	30 –25¼	47.39	.57	13
Foodarama Supermarkets	10.0	0.50	3.7	1.35	5	7⅞– 4½	16.19	.31	16
Ford Motor	11.0	4.00	3.3	10.90	36½	45⅜–36	87.97	.41	12
GAF	7.2	0.68	4.6	2.06	9½	13¼– 9¼	27.00	.35	54
Gamble-Skogmo	6.5	1.50	4.3	5.35	23⅛	33⅛–22¼	56.39	.41	193
General Public Utilities	13.3	1.00	3.9	1.90	7½	18⅞– 7¼	22.61	.33	148
General Tire & Rubber	7.5	1.50	4.8	4.13	20	27 –19	42.55	.47	28
Girard	8.0	1.88	3.9	6.02	23⅝	28 –19¾	41.19	.57	41
BF Goodrich	7.7	1.44	3.6	5.22	18¾	24 –16⅛	54.29	.35	56
Greater Jersey Bancorp	8.7	1.00	4.2	2.75	11½	13¼–10⅞	25.26	.46	69
Hammermill Paper	7.9	1.50	4.7	4.06	19	24⅞–18	36.48	.52	69
Hannaford Bros	8.0	0.88	4.3	2.53	11	15⅝–10½	18.42	.60	158
Harris Bankcorp	8.0	2.00	4.9	5.06	25	34¾–23¼	48.61	.51	17
Hart Schaffner & Marx	8.4	0.88	4.5	2.32	10½	15⅜–10	24.80	.42	27
Hartford National	9.3	1.40	4.4	3.42	15	17⅞–14⅛	29.89	.50	47
Huntington Bancshares	6.6	1.76	3.9	6.92	26¾	35 –26	47.96	.56	19
IC Industries	7.4	1.84	5.0	5.00	24⅞	30⅞–22⅛	63.55	.39	115
Inland Steel	9.3	2.80	4.0	7.42	30	40⅜–29¼	62.74	.48	52
Interlake	9.0	2.20	4.2	5.81	24½	29½–21⅛	47.56	.52	44
International Harvester	6.8	2.50	3.8	9.63	36¾	45½–32	66.10	.56	51
International Tel & Tel	8.6	2.20	5.3	4.79	25½	30⅞–24¼	43.21	.59	61
Irving Bank	7.4	2.44	4.4	7.57	33	38½–28½	57.41	.57	37
Johns-Manville	8.3	1.92	4.9	4.77	23¼	27¾–21⅞	39.15	.59	65
Kahler	6.7	1.50	5.6	3.99	22½	22½–19	38.30	.59	35
Key Banks	10.0	1.20	4.0	3.00	12	14⅜–11	24.29	.49	37
Key Co	6.5	0.30	4.1	1.14	4⅝	6⅝– 3⅞	8.95	.52	56
Leslie Fay	7.2	0.48	4.1	1.60	6⅝	9 – 6⅜	11.81	.56	25
Libbey-Owens-Ford	9.6	2.35	4.5	5.42	24½	28⅞–23	41.90	.58	21
Lincoln First Banks	9.4	2.00	3.6	5.92	21⅜	28½–20¼	50.99	.42	65
Long Island Lighting	12.8	1.78	5.6	2.46	13⅞	18¼–13¾	63.75	.22	139
Magic Chef	8.1	0.60	4.1	1.78	7⅜	11⅝– 7⅛	14.86	.50	67
Manufacturers National	8.8	2.20	3.7	6.73	24⅞	29 –23½	46.71	.53	23
Masonite	6.3	1.68	4.4	6.12	26⅞	29½–24¼	48.45	.55	25
Methode Electronics	7.6	0.40	3.9	1.33	5¼	7¾– 4¾	9.75	.54	49

*Latest annual report plus earnings minus dividends to date. †Long-term debt/common equity.
Source: Standard & Poor's Compustat Service

Magic sixes?

Company	Current yield	Indicated dividend	Price/ earnings ratio	Latest 12-months EPS	Recent price	52-week price range	Book value*	Price to book	Debt/ equity†
J Michaels	7.2%	$0.36	5.3	$0.95	5	5⅜– 4	$14.08	.36	13%
Michigan National	6.7	1.20	3.8	4.75	18	25½–17½	30.73	.59	42
Midlantic Banks	8.5	2.16	3.5	7.31	25½	30¼–23	51.57	.49	32
Morton Shoe	6.7	0.32	3.7	1.28	4⅜	7 – 4½	12.58	.38	95
National Standard	8.9	1.24	5.1	2.70	13⅞	17⅞–13¼	26.38	.53	25
National Steel	8.9	2.60	3.9	7.43	29¼	35½–27½	71.71	.41	52
New England Merchants	8.5	1.64	3.6	5.38	19¼	24⅜–18¾	36.27	.53	63
Norfolk & Western Railway	8.1	1.92	4.2	5.67	23¾	28⅞–21⅝	42.74	.56	48
Norlin	8.8	1.60	3.8	4.82	18¼	25¾–17¾	50.12	.36	71
Northern Trust	6.6	2.20	5.1	6.47	33⅛	41¼–32¼	57.02	.58	23
Northwestern States Port Cement	7.9	1.80	4.0	5.63	22¾	31 –21¾	40.69	.56	24
Opelika Manufacturing	8.0	0.84	4.4	2.40	10½	13¼– 9½	24.34	.43	49
Oriole Homes	6.8	0.65	3.2	3.02	9⅜	14 – 7½	17.41	.55	68
Outboard Marine	6.4	0.70	5.4	2.00	10⅞	19⅝–10⅜	32.97	.33	46
Owens-Illinois	6.7	1.26	4.3	4.39	18⅞	22⅞–17⅛	40.85	.46	62
Oxford Industries	6.7	0.68	4.6	2.21	10⅛	12¼– 8⅞	23.13	.44	29
Philadelphia National	8.3	2.40	3.9	7.43	29	33⅝–27	52.79	.55	47
Philips Industries	6.4	0.32	4.0	1.25	5	6½– 4⅛	8.76	.57	56
Philips NV	6.8	0.74	5.2	2.10	10⅞	13 –10½	32.32	.34	40
Pneumatic Scale	6.2	1.00	6.0	2.71	16⅛	26⅛–15¾	27.58	.59	6
Pratt&Lambert	9.5	1.10	5.6	2.09	11⅝	14⅜–10⅝	22.15	.52	17
Provident National	8.5	2.10	4.9	5.00	24⅜	30 –22	45.36	.54	15
Raybestos-Manhattan	7.0	1.60	5.5	4.19	22⅞	37 –21⅜	50.05	.46	45
Realex	6.7	0.48	4.4	1.63	7⅛	9 – 6¼	13.98	.51	4
Reece	7.5	0.60	5.6	1.44	8	10¼– 7⅛	15.34	.52	14
Republic Steel	9.9	2.55	2.8	9.28	25¾	31 –22⅛	92.55	.28	32
Reynolds Metals	7.1	2.20	3.5	8.93	31	39⅝–28⅜	59.13	.52	88
Riegel Textile	9.4	1.60	4.8	3.55	17	18¾–15¼	36.66	.46	38
Robertshaw Controls	7.7	1.30	5.9	2.86	16⅞	22¼–16⅛	29.08	.58	40
Roper	8.7	0.90	5.4	1.93	10⅜	11⅞– 9⅜	18.71	.55	65
Russ Togs	10.1	0.88	5.0	1.75	8¾	11⅛– 8¾	15.28	.57	22
Seaboard Coast Line Industries	8.3	2.20	3.3	8.10	26½	32⅜–24½	88.68	.30	91
Seligman & Latz	13.5	1.20	5.7	1.55	8⅞	14 – 8	17.10	.52	29
Shawmut	7.4	2.40	4.2	7.70	32½	39 –28½	81.23	.40	23
Sheller-Globe	8.8	0.70	3.1	2.58	8	11⅜– 7⅝	24.89	.32	55
AO Smith	8.5	1.40	2.8	5.88	16⅜	22¼–16⅜	44.80	.37	19
Society	6.6	1.20	3.7	4.93	18⅛	21½–16¼	32.35	.56	36
Southern Pacific	7.7	2.40	4.8	6.56	31¼	37⅜–25	75.80	.41	54
Sperry & Hutchinson	6.8	1.00	4.3	3.40	14⅝	18 –12⅝	26.00	.56	17
Springs Mills	7.6	1.20	4.0	3.98	15¾	18⅜–14	37.74	.42	19
Standard Products	7.8	1.52	5.3	3.69	19⅜	26⅛–19¼	34.35	.56	43
State Street Boston	7.8	1.80	3.7	6.21	23	26¾–20	55.74	.41	37
Sterchi Brothers Stores	6.7	0.68	4.5	2.26	10⅛	11¼– 8¾	17.08	.59	33
JP Stevens	8.6	1.20	4.1	3.38	13⅞	15¾–13	39.31	.35	55
Stop & Shop Cos	7.9	1.20	3.8	4.01	15¼	20⅛–14⅛	29.51	.52	153
Strawbridge&Clothier	6.0	1.40	4.0	5.84	23¼	29 –22½	56.24	.41	71
Sun City Industries	6.7	0.25	5.5	0.68	3¾	5½– 3⅜	7.60	.49	45
Torin	6.1	0.80	4.7	2.77	13½	17⅝–10⅝	27.50	.48	20
Tri-State Motor Transit	8.9	0.80	3.6	2.49	9	9½– 7	19.16	.47	34
United Jersey Banks	10.3	1.04	4.2	2.43	10⅛	12¾– 9½	20.02	.51	31
US Industries	8.4	0.76	4.9	1.85	9	10½– 7¼	19.93	.45	24
US Steel	8.5	1.60	4.4	4.25	18⅞	26⅛–18¾	63.26	.30	42
Victory Markets	6.7	0.20	4.3	0.70	3	4⅛– 2⅜	7.69	.40	105
Village Super Market	7.3	0.60	5.2	1.60	8¼	8¼– 6	18.05	46	79
West Point-Pepperell	9.3	2.80	5.3	5.66	30¼	37½–27¼	62.30	.49	44
Whitaker Cable	8.2	0.40	4.8	1.01	4⅞	7½– 4⅝	10.75	.46	84
Wickes	7.4	1.04	4.2	3.31	14	17¼–12½	24.37	.57	107
Woodstream	7.5	0.60	4.4	1.82	8	14½– 7⅝	13.96	58	47

*Latest annual report plus earnings minus dividends to date. †Long-term debt/common equity.

Source: Standard & Poor's Compustat Service.

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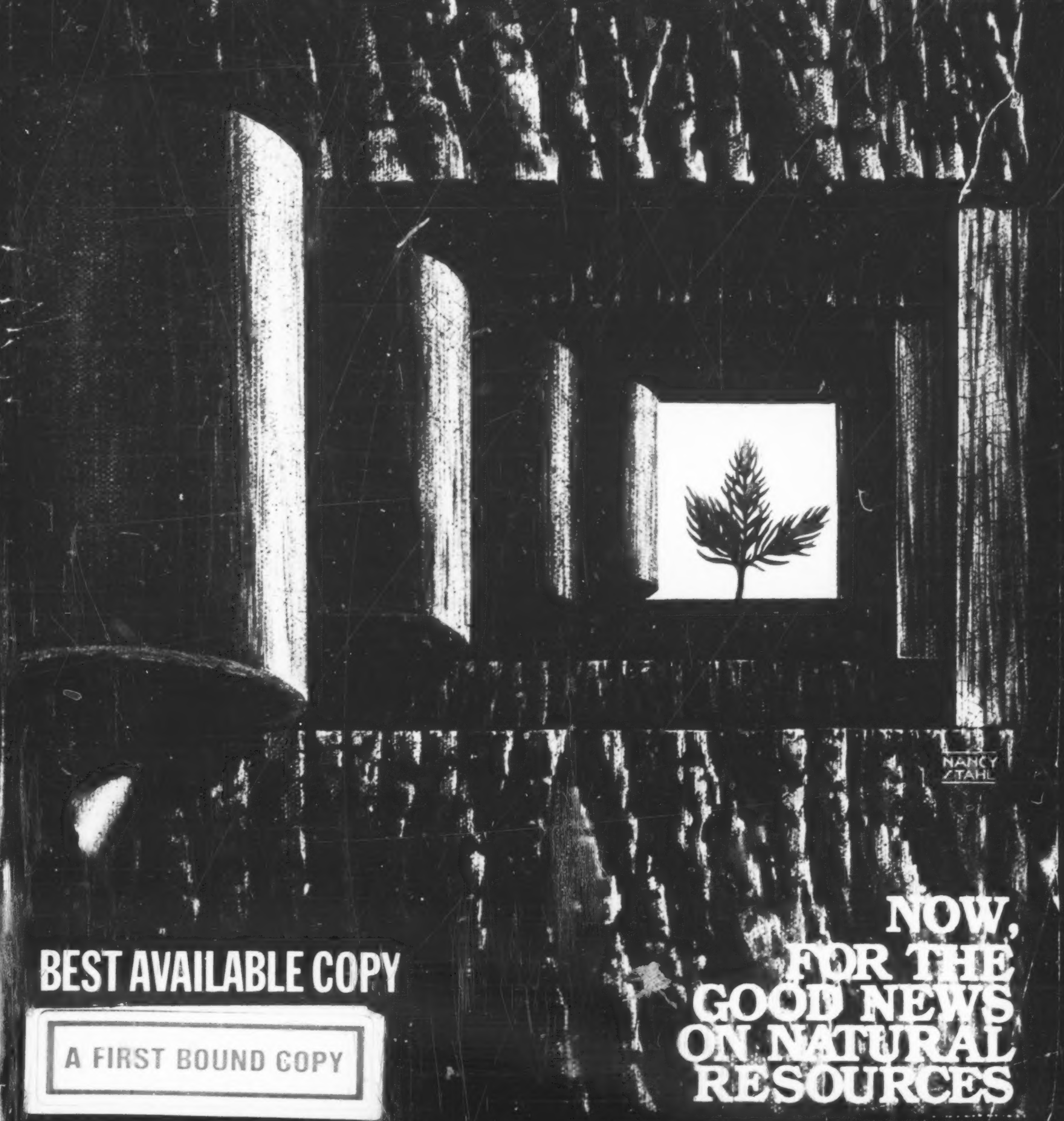

NOW, FOR THE GOOD NEWS ON NATURAL RESOURCES

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In 1979 you could easily treble your money or lose most of it on fallen favorites. For gainers, it was the year of the low-priced stock.

Winners and sinners

Statistical Spotlight

The averages went nowhere in 1979 but there were plenty of individual winners and losers. The stock market, as measured by the Dow Jones industrials, began 1979 at 805 and was only a few points higher in early December. Nevertheless, the old cliché is still true: It's not a stock market but a market of stocks.

On ten Big Board stocks this year you could have trebled your money and you could have doubled it on scores more. We have listed below the 50 NYSE equities with the biggest gains so far in 1979, and the 50 biggest losers.

And while you could have made good money in this going-nowhere market, you could easily have lost your shirt, too. Not only in publicized disasters, like Itel Corp. and General Public Utilities, but in quality stocks, like Polaroid, Singer, KLM, Outboard Marine, Winnebago, Ford Motor and American Airlines.

What's true on the major exchange is equally true of the 25 biggest winners and the 25 biggest losers on the Amex and on the o-t-c market. ■

A market of stocks

All the major stock averages were up in 1979; the Dow modestly (3%), the Amex handsomely (51%). But, as usual, particular stocks soared while others plummeted. Below, the 50 biggest gainers and losers on the New York Stock Exchange and the 25 biggest gainers and losers on the American Stock Exchange and in the NASDAQ market.

Company	% change since Jan. 1	Price as of Jan. 1	Recent price	1979 price range high low	Latest 12-months EPS	Price/ earnings ratio	Indicated dividend	Current yield	Book value per share	Annual sales (mil)
New York Stock Exchange										
Winners										
Charter Co	608%	5⅛	36¼	50 – 5	$ 9.83	3.6	$ .60	1.7%	$ 8.65	$1,993
Talcott National	334	1⅞	8⅛	11¾– 1⅞	–.22	def	—	—	6.45	6
Beker Industries	285	3⅜	13	13½– 3½	.14	NM	—	—	6.48	201
Computervision	282	12⅛	46⅜	46⅜–12¼	1.80	25.7	—	—	4.36	71
Hecla Mining	261	5⅛	18½	24 – 5¼	2.47	7.4	—	—	–6.77	30
Lennar	252	4¾	16¾	23⅞– 4⅞	3.42	4.8	.32	1.9	14.50	133
McMoran Oil & Gas	234	14⅛	47¼	53½–13	.21	NM	.10	.2	5.11	19
Holly Sugar	212	15½	48½	49 –15⅝	–2.67	def	—	—	45.98	145
GCA	207	15⅛	46½	46½–14¾	2.08	22.3	.30	.6	12.67	64
Reserve Oil & Gas	197	10⅞	32⅜	32¾–10⅞	2.23	14.5	.30	.9	11.99	1,614
Mary Kay Cosmetics	187	9	25⅞	26⅜– 9¼	2.33	11.1	.60	2.3	5.76	53
Arrow Electronics	181	9¼	26	30¼– 9⅜	4.39	5.9	.22	.8	12.62	155
Rosario Resources	180	16¼	45⅝	50 –15½	3.63	12.5	1.05	2.3	13.84	78
Pioneer Corp	175	12¼	33⅞	34¼–12⅜	2.91	11.6	1.16	3.4	11.43	556
Vornado	164	8½	22½	29¾– 8½	.78	28.8	.60	2.7	27.02	675
OKC	159	18¾	48⅝	62 –18½	6.79	7.1	1.20	2.5	18.77	246
Apache	154	15½	39⅜	39⅜–14⅝	1.69	23.2	.40	1.0	14.17	94
Horizon	152	2⅝	6⅝	11½– 2½	.72	9.1	—	—	9.29	30
NVF	152	4¼	10⅞	11½– 4¼	1.88	5.7	—	—	5.80	582
First Mississippi	151	10	25⅛	25⅜–10	1.02	24.6	.40	1.6	11.14	178
Tesoro Petroleum	150	7⅝	19⅛	19¼– 7¾	4.03	4.7	—	—	9.30	2,417
Fluor	147	22⅛	54¾	55 –21½	3.87	14.1	1.00	1.8	14.28	2,865
Alaska Interstate	145	16	39¼	39⅞–15⅜	1.29	30.4	.80	2.0	19.78	216
Analog Devices	142	9⅜	22¾	23½– 9⅛	1.29	17.6	—	—	5.87	66
McIntyre Mines	141	20¼	49	64¾–20¾	10.39	4.7	—	—	44.17	101

def-deficit. NM-not meaningful.

A market of stocks

Company	% change since Jan. 1	Price as of Jan. 1	Recent price	1979 price range high low	Latest 12-months EPS	Price/ earnings ratio	Indicated dividend	Current yield	Book value per share	Annual sales (mil)
Veeco Instruments	141%	16⅝	40⅛	40½–16⅞	$2.96	13.5	$ .60	1.5%	$11.04	$ 61
Zapata	139	10¼	24⅜	24⅞–10⅜	1.31	18.7	.30	1.2	26.21	520
Advanced Micro-Devices	137	14½	34½	38½–12⅛	2.18	15.8	—	—	8.75	148
Kenilworth Rlty Tr SBI	135	11¼	26½	31⅜–11¼	.10	NM	.20	.8	16.50	22
National Liberty	135	8⅛	19⅛	19¾– 7⅜	1.66	11.5	.28	1.5	11.77	245
Reliance Electric	132	30	69⅞	70⅜–29¾	4.94	14.1	1.60	2.3	18.63	966
Freeport Minerals	130	21⅜	49⅜	50⅜–20⅞	3.94	12.5	1.20	2.4	17.16	304
Warner & Swasey	130	24½	56½	58 –21⅜	6.43	8.7	1.80	3.2	39.38	245
Western Co N America	129	16	36¾	37¼–15¼	2.08	17.6	.32	.9	10.21	215
Toys 'R' Us	124	12⅞	28⅞	30½–12⅛	2.13	13.5	—	—	8.72	349
Archer-Daniels-Midland	123	13⅜	29¾	30⅛–13	2.04	14.5	.20	.7	14.83	2,297
Southland Royalty	123	26	58⅛	60 –24½	2.05	28.3	.60	1.0	6.12	182
Trinity Industries	122	10	22¼	22⅞– 9¼	1.73	12.8	.60	2.7	11.22	277
Safeguard Industries	121	9⅞	21⅞	21⅞– 9⅝	1.39	15.7	.32	1.5	7.68	135
United Refining	121	13⅜	29½	32⅜–13⅛	6.54	4.5	1.00	3.4	24.19	368
Louisiana Land & Expl	118	21½	47	55¼–21⅜	4.01	11.7	1.48	3.1	15.21	533
Newpark Resources	116	8⅜	18⅛	18½– 8¼	1.20	15.1	.20	1.1	6.72	94
Suburban Propane Gas	116	17¾	38½	39¾–16⅞	4.61	8.3	1.44	3.7	26.84	516
AVX	115	11⅜	24½	25 –11⅛	1.73	14.1	.25	1.0	9.18	63
Helmerich & Payne	115	21⅝	46¾	47 –21⅝	2.63	17.7	.36	.8	14.42	153
International Rectifier	115	11⅛	24	28⅝– 9¾	2.60	9.2	.32	1.3	13.62	123
Texas International	114	6⅞	14¾	15⅜– 7	–1.11	def	—	—	10.33	218
Transco Cos	111	20¾	43⅞	44⅞–19	2.57	17.0	1.24	2.8	18.03	974
Global Marine	110	13½	28⅜	28¾–13½	2.64	10.7	.20	.7	11.52	124
Superior Oil	109	65¾	138	141 –61	8.47	16.2	.72	.5	46.00	730
Sinners										
Itel	–83	25½	4¼	28⅛– 3⅛	–3.51	def	—	—	17.14	688
Texfi Industries	–65	10¼	3½	11¼– 3⅛	.77	4.5	—	—	11.56	171
General Public Utilities	–57	17½	7½	18⅞– 7	1.90	3.9	$1.00	13.3	21.75	1,326
Telecor	–52	8⅜	4⅛	11¼– 4	—	—	—	—	6.16	124
Superscope	–50	7⅛	3½	8⅞– 3¼	–9.35	def	—	—	18.32	205
Institutional Inv Tr SBI	–50	2	1	2⅜– 1	–1.50	def	—	—	1.19	—
Polaroid	–49	51¾	26¼	56 –22⅜	1.54	17.0	1.00	3.8	28.27	1,376
Hayes-Albion	–44	16⅝	9¼	18¾– 8⅜	.14	def	.40	4.3	17.30	253
Coachmen Industries	–44	8¼	4⅜	10 – 4⅜	–1.20	def	—	—	13.14	305
Braniff International	–42	12¾	7⅜	14⅜– 6¾	.86	8.5	.20	2.7	13.14	972
Denny's	–41	26	15¼	26⅜–14⅝	2.66	5.7	.88	5.8	15.63	623
AM International	–40	21½	12⅞	25 –12½	–.09	def	.28	2.2	25.44	754
Manhattan Industries	–39	9½	5¾	11 – 5⅜	1.62	3.5	.30	5.2	19.37	349
Berkey Photo	–39	5⅜	3¼	7¼– 3	.31	10.4	—	—	3.80	199
Singer	–38	13¼	8⅛	16⅛– 7⅝	–5.38	def	—	—	18.96	2,469
Sambo's Restaurants	–37	10	6¼	11⅛– 5	–1.65	def	—	—	8.16	574
Ponderosa System	–37	20⅞	13	23 –11⅞	3.33	3.9	.40	3.1	14.46	268
Kellwood	–37	13½	8½	14⅞– 8¼	–.41	def	.80	9.4	23.72	521
KLM Royal Dutch Air	–37	60½	38	63 –36⅝	–1.57	def	3.49	9.2	82.51	1,415
Culbro	–37	11⅞	7⅜	14⅛– 6⅞	–2.22	def	—	—	17.62	443
Borman's	–37	6¾	4¼	8½– 4⅛	1.37	3.1	.20	4.7	11.77	783
Ward Foods	–36	11⅞	7½	12⅛– 7	1.18	6.3	—	—	6.43	323
Transcon Lines	–36	10¾	6⅞	14½– 6¾	.70	9.8	.60	8.7	9.04	228
Lehigh Valley Industries	–36	1¾	1⅛	2⅛– 1⅛	.13	8.6	—	—	.18	141
Outboard Marine	–35	16¾	10¾	19⅝–10⅜	2.00	5.3	.70	6.5	32.98	741
Telex	–34	5⅜	3½	7⅛– 3¼	.17	20.5	—	—	3.10	148
Winnebago Industries	–33	3	2	4⅛– 2	–.16	def	—	—	3.16	214
Uniroyal	–33	5⅝	3¾	8¼– 3½	–.25	def	—	—	21.56	2,735
Handleman	–33	16⅛	10⅜	17 –10½	2.12	5.0	1.00	9.3	11.64	224
Frigitronics	–32	14¾	10	18½– 9⅞	1.28	7.8	.30	3.0	5.61	79
Electronic Memories & Mag	–32	4⅝	3⅛	5⅜– 2¾	–.21	def	—	—	2.43	130
M Lowenstein	–31	13¼	9⅛	17¼– 9⅛	.47	19.4	.30	3.3	45.01	604
Lane Bryant	–31	19¼	13⅛	22½–11⅝	1.98	6.6	1.00	7.6	19.82	365
Firestone Tire & Rubber	–31	12⅛	8⅛	13⅞– 8⅛	1.70	4.8	.60	7.3	24.95	4,878
Memorex	–30	29⅜	20½	39 –17⅝	5.26	3.8	—	—	19.38	633
Kuhlman	–30	14⅛	9¾	16¼– 9½	1.87	5.2	1.30	13.3	15.58	123
Japan Fund	–30	12⅜	8⅝	13⅛– 8½	—	—	.18	2.1	1.24	—
Fabri-Centers of America	–30	6⅞	4⅜	8 – 4⅜	1.13	4.2	.28	5.9	10.84	120
Chrysler	–30	8⅝	6	11⅝– 5⅝	–10.80	def	—	—	29.61	13,618
Fotomat	–29	11	7¾	14⅝– 5⅛	.30	25.8	—	—	4.29	190

def-deficit. NM-not meaningful.

A market of stocks

Company	% change since Jan. 1	Price as of Jan. 1	Recent price	1979 price range high low	Latest 12-months EPS	Price/ earnings ratio	Indicated dividend	Current yield	Book value per share	Annual sales (mil)
Talley Industries	–28%	11⅜	8⅛	12½– 7⅞	$1.05	7.7	$1.00	[illegible]	$11.45	$ 433
Magic Chef	–28	10⅛	7¼	11½– 6⅞	1.78	4.0	.60	[illegible]	14.22	409
United Merchants & Mfrs	–27	7⅝	5⅜	8¾– 5⅛	1.38	3.8	—	—	12.93	699
UAL	–27	29⅛	21⅛	34⅜–20⅛	–1.54	def	1.00	4.7	43.84	3,890
Gray Drug Stores	–27	13¾	10	16¼– 9⅝	1.63	6.1	.80	8.0	17.56	406
Ford Motor	–27	42⅛	30⅝	45⅜–29⅜	10.90	2.8	4.00	13.1	85.48	42,784
CLC of America	–27	11¾	8½	12⅞– 7⅛	.22	NM	.24	2.8	7.09	161
American Airlines	–27	13¼	9⅝	14⅜– 9⅛	2.10	4.5	.40	4.2	22.94	2,735
Armstrong Rubber	–26	24½	18	25¼–17⅛	4.39	4.1	1.20	6.7	67.90	393
Ranco	–26	18¾	13⅞	23 –12¾	1.82	7.6	.84	6.1	14.36	157
American Stock Exchange Winners										
Baruch-Foster	460	2½	14	14⅞– 2⅜	.26	NM	—	—	1.34	2
Howell Corp	332	7¾	33½	34 – 7¾	5.74	5.8	.40	1.2	13.63	110
Juniper Petroleum	327	2¾	11¾	11¾– 2⅞	.12	NM	—	—	2.81	11
Wainoco Oil	313	6⁷⁄₁₆	26⅝	29½– 6⅜	.67	NM	.12	.5	3.14	15
Vesely	270	1⅝	6	9½– 1⅝	–1.96	def	—	—	1.42	18
Delhi International Oil	267	6⅞	25¼	27 – 7	.95	26.5	.10	.4	5.26	13
Great Basins Petroleum	264	4⅞	17¾	18⅞– 4¾	.15	NM	—	—	2.81	26
Wichita Industries	257	3⅝	12¾	12⅞– 3¾	.37	34.4	—	—	2.47	4
Petro-Lewis	252	5⅛	17⅞	18⅛– 5⅛	1.32	13.5	—	—	4.23	54
Forest Laboratories	238	3⅝	12¼	14½– 3⅞	.51	24.0	—	—	2.07	10
Tubosdeaceromex ADR	237	2⅜	8	10⅞– 2⅜	.53	15.0	—	—	3.55	NA
Crown Central Petroleum	231	13⅛	43½	47⅛–12⅞	15.78	2.7	.80	1.8	39.93	658
Crystal Oil	231	9	30	30⅝– 9⅛	1.48	20.2	.36	1.2	5.57	104
Triton Oil & Gas	230	4⅛	13⅝	14⅝– 4	–.05	def	—	—	3.64	12
Dynalectron	223	3¼	10½	15¾– 3⅛	.15	NM	—	—	3.78	290
Crestmont Oil & Gas	213	6	19	25⅝– 5½	.66	28.7	.19	1.0	2.86	6
Meenan Oil	213	5⅜	16⅞	19⅝– 5	2.56	6.5	.24	1.4	7.10	120
Struthers Wells	209	6⅝	20⅝	22⅞– 6⅞	1.01	20.4	.32	1.5	4.91	50
Askin Service	208	¹³⁄₁₆	2½	4⅝– ¾	–.03	def	—	—	2.71	8
Consolidated Oil & Gas	208	7	21⅝	22⅝– 6¾	.17	NM	—	—	10.06	25
Commodore International	205	12	36⅝	38¾–10½	3.60	10.1	—	—	8.73	71
Digicon	204	2⅞	8¾	9 – 2¾	.22	NM	—	—	4.40	39
Marshall Industries	197	4⅜	13	13 – 4⅜	1.30	10.0	—	—	11.48	67
Glasrock Products	195	5⅛	15⅛	15¾– 5⅛	.62	24.3	.10	.7	7.60	11
Schiller Industries	194	2½	7⅜	9⅛– 2½	1.17	6.2	—	—	5.81	15
Sinners										
National Paragon	–72	2¾	⅜	3⅛– ¼	–4.43	def	—	—	1.72	24
California Life	–66	4⅛	1⅜	4⅜– 1¼	–2.08	def	—	—	.02	41
Superior Industries Intl	–60	14½	5¾	15¼– 5¼	1.21	4.7	.25	4.3	7.92	87
Iroquois Brands	–60	33⅝	13⅜	34⅝–11½	1.66	8.0	.36	2.7	13.25	149
Executive Industries	–59	7¾	3⅛	8⅝– 2⅞	–.85	def	—	—	8.25	42
Friendly Frost	–57	12	5⅛	12¼– 3⅜	–1.17	def	—	—	3.62	47
Starrett Housing	–56	8⅞	3⅞	9¼– 3½	.92	4.2	.15	3.9	6.58	162
Edmos	–56	2⅞	1¼	3⅜– 1¼	–.78	def	—	—	6.88	43
ET Barwick Industries	–56	2	⅞	2⅜– ⅝	.69	1.2	—	—	1.11	95
Colonial Commercial	–54	12⅝	5¾	22⅞– 4⅜	–.07	def	—	—	1.27	44
Amdahl	–54	48	21⅞	52¾–16⅛	1.89	11.5	.40	1.8	11.92	321
Florida Capital	–51	4⅛	2	14⅜– 2	–1.72	def	—	—	5.06	27
Glover	–50	1¾	⅞	2⅞– ⅞	–4.17	def	—	—	4.82	141
Cramer Electronics	–48	3⅛	1⅝	5½– 1⅝	–1.50	def	—	—	7.41	150
CHB Foods	–47	13½	7	16⅛– 6½	1.36	5.1	—	—	11.27	217
Applied Devices	–47	8⅜	4⅜	11⅛– 3½	.28	15.6	—	—	2.23	46
Medco Jewelry	–46	1⅝	⅞	1⅞– ½	–2.40	def	—	—	0.15	43
Wilson Brothers	–45	2¾	1½	3⅛– 1½	–.83	def	—	—	5.25	77
Robintech	–45	11	6	13¾– 5½	–1.95	def	—	—	12.93	167
Marshall Foods	–45	4⅜	2½	4⅞– 2⅜	–1.69	def	—	—	10.69	73
GIT Industries	–45	4⅜	2⅜	6½– 2¼	–.78	def	—	—	–1.85	57
Carrols Development	–45	7⅛	3⅞	8¼– 3⅜	.52	7.4	.05	1.3	1.36	62
Gaynor-Stafford Industries	–42	1¾	1	2½– 1	–.57	def	—	—	–6.26	22
Champion Home Builders	–42	1¾	1	2½– ¾	–.03	def	—	—	0.98	326
American Capital	–41	3	1¾	3¾– 1½	.18	9.7	—	—	2.48	15

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A market of stocks

Company	% change since Jan. 1	Price as of Jan. 1	Recent price	1979 price range high low	Latest 12-months EPS	Price/ earnings ratio	Indicated dividend	Current yield	Book value per share	Annual sales (mil)
NASDAQ										
Winners										
Magellan Petroleum	442%	1 1/16	5¾	7⅞– ⅜	$ –.04	def	—	—	$ .41	NM
Webb Resources	412	8	41	41½– 8¼	.15	NM	—	—	8.93	$ 10
McFarland Energy	336	3⅛	13⅝	14½– 3	.76	17.9	—	—	2.86	6
Thomas International	300	½	2	4 – ¼	–1.07	def	—	—	.25	33
Oregon Metallurgical	289	4⅝	18	19⅞– 3¾	1.04	17.3	—	—	4.13	47
Tomlinson Oil	289	4¼	16⅝	16⅝– 4⅛	1.02	16.0	—	—	4.25	27
Sykes Datatronics	288	4½	17½	19¾– 4½	.88	19.8	—	—	2.76	7
Great National	281	2¾	10½	10¾– 2¾	.37	28.3	—	—	2.48	32
Commonwealth Oil Ref	279	2⅜	9	12⅝– 2⅜	1.10	8.1	—	—	3.02	931
Oklahoma Oil	270	1⅝	6	9¼– 1½	–.03	def	—	—	.57	1
Amarex	258	15¾	56½	62 –15¾	1.90	29.7	—	—	12.88	13
Dyco Petroleum	256	7¼	25¾	25¾– 7¼	1.01	25.4	—	—	3.40	12
US Energy	256	8	28½	40½– 7	.02	NM	—	—	1.09	5
Equity Oil	254	14¾	52¼	55¼–14½	1.46	35.7	$.70	1.3%	10.41	11
Lear Petroleum	252	9⅜	33⅛	36¼– 9⅜	1.33	24.9	.12	.4	4.66	78
Applied Materials	251	7⅛	25	27 – 7	2.10	11.9	—	—	5.84	28
Oxoco	246	1⅝	5⅝	6⅛– 1⅝	.10	NM	—	—	.47	3
Guardian Chemical	244	⅞	3	7¼– ⅞	–.01	def	—	—	.45	2
Tosco	237	6	20¼	24¾– 5⅝	2.98	6.7	—	—	2.65	1,166
Mostek	232	18⅛	60¼	61½–17½	2.74	21.9	—	—	15.05	134
Kroy Industries	229	8½	28	30½– 8⅝	2.19	12.7	.24	.9	6.99	40
Royster	229	3⅞	12¾	13 – 3¾	.68	18.7	.40	3.1	9.52	228
Fife	226	2⅞	9½	10⅛– 2⅞	1.20	7.7	.16	1.7	5.74	17
May Petroleum	223	5⅛	17	17½– 5⅛	.94	18.0	—	—	6.78	9
Wells-Gardner Electronics	222	2⅜	7¾	8¾– 2¼	–.57	def	—	—	5.73	14
Sinners										
El Dorado International	–85	4¼	⅝	6½– ½	.46	1.3	—	—	2.26	31
Integrity Entertainment	–81	5⅜	1	5½– 1	–.87	def	.50	5.0	1.22	70
American Clipper	–76	6⅝	1⅝	8 – 1½	–.45	def	—	—	3.71	20
Leisure Time Products	–75	1	¼	⅞– ¼	–.35	def	—	—	1.05	32
Inforex	–74	6⅝	1¾	9⅜– 1⅝	–.17	def	—	—	6.16	71
Posi-Seal International	–73	9⅝	2⅝	10¼– 2⅝	.24	10.9	.10	3.8	2.15	19
EIP Microwave	–72	9⅝	2½	9¾– 2½	.56	4.4	—	—	2.39	8
Recoton	–68	2⅝	⅞	2¾– ⅞	.26	3.3	—	—	2.57	12
Pop Shoppes International	–67	3⅝	1 1/16	3⅜– 1	–.02	def	—	—	NA	16
Data Dimensions	–67	5	1⅝	6½– 1⅛	–.98	def	—	—	3.04	16
Amicor	–66	1½	½	1⅜– ½	–.28	def	—	—	–2.48	57
Wiener	–63	15	5⅝	18 – 5½	1.04	5.2	.36	6.5	8.88	69
Frawley	–63	8¼	3	7⅞– 2½	–1.27	def	—	—	9.12	58
Cambridge Memories	–63	4⅝	1¾	5¼– 1⅝	.15	11.6	—	—	1.30	10
Microform Data Systems	–61	2⅝	1	3⅛– 1	–2.00	def	—	—	.01	23
Morgans Restaurants	–60	2½	1	2½– 1	–.88	def	—	—	.95	10
Brougham Industries	–60	1¼	½	1⅝– ¼	–2.55	def	—	—	.41	27
Cont'l Information Systems	–59	6¾	2¾	8⅜– 2¾	–1.88	def	.24	8.7	2.28	41
Computer Automation	–59	23½	9½	25¾– 8½	–2.13	def	.20	2.1	13.01	64
Allied Technology	–58	1 13/16	¾	1⅞– ⅝	–.34	def	—	—	.68	35
Salem Carpet Mills	–57	4⅛	1¾	5 – 1⅝	.25	7.0	—	—	3.31	170
Paul Harris Stores	–57	10½	4½	10½– 4½	–1.46	def	—	—	7.99	77
Pacesetter Industries	–57	1¾	¾	1⅝– ¾	–1.18	def	—	—	2.49	39
Kayot	–57	⅞	⅜	1⅜– ⅜	–1.52	def	—	—	.32	13
Groman	–57	1¾	¾	1⅝– ⅝	–.35	def	—	—	3.36	36

def-deficit. NM-not meaningful. NA-not available.

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Forbes

32nd ANNUAL REPORT ON AMERICAN INDUSTRY

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Volume 125, Number 1

32nd ANNUAL REPORT ON AMERICAN INDUSTRY

How the 1,035 largest U.S. public companies and the 31 major U.S. industrial groups compare in profitability, growth and market performance on the FORBES Yardsticks. What lies ahead for them in 1980. And why.

Features

Capital Formation: *The Coming Showdown.* If you save money in the U.S., the government takes 30 cents to 40 cents of every dollar you earn in interest. But if you *borrow* money, Uncle Sam helps you pay the interest. That egalitarian bias toward consumption runs counter to the priorities of most other industrialized countries. It is deeply rooted in the American economy; and it is beginning to damage the goose that lays the golden eggs. 38

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The FORBES Yardsticks: 1979

How to use them

ALL TOLD, about 200,000 separate numbers were compiled for the FORBES 32nd Annual Report on American Industry. They measure management performance of 1,035 big public companies, most with latest fiscal year sales of at least $300 million.

The FORBES Yardsticks are a report card on U.S. industry, sizing up the 1,035 companies in several ways. We measure their profitability in terms of return on stockholders' equity and on total capital. We measure their growth in both earnings per share and sales. For current trends we track these figures for the latest 12 months, while for a longer view we look at them over the past five years. We also measure their debt-to-equity ratios, net profit margins and stock market performance.

Where to Find the Yardsticks

Industry Median Rankings, page 218
Profitability Rankings, page 221
Growth Rankings, page 232
Stock Market Rankings, page 241

Using all these measures, we compare each of the 1,035 companies against competitors in its own industry and against all 1,034 other companies. Finally, we compare the major industry groups themselves against one another. There are 31 groups this year, one more than last year. The new group, Media, had been part of the Leisure group; by separating it, we get a better comparison among companies in both groups.

To locate a company, refer to the table that begins on the next page: "Where to find the company." It lists the 1,035 companies alphabetically and gives the page of the story about its industry and the appropriate Yardsticks. You will also find in the alphabetical listing how that company ranks in profitability, growth and stock market performance.

How they are calculated

Return on stockholders' equity Companies obtain their capital from two sources: stockholders and creditors. Return on stockholders' equity is the percentage return on the stockholders' portion of the capital. We express earnings per common share (primary basis*) as a percentage of the stockholders' equity per share, assuming conversion of all convertible preferred, at the start of the year. The five-year return in our Yardsticks tables is the average of the returns calculated for the years 1975 through 1978 and the 12-month period ending with the most recent quarterly report. (For companies whose fiscal years end in January, February or March, the years 1976-79 are used in place of 1975-78.)

Return on total capital This figure is the percentage return on a combination of stockholders' equity (both common and preferred) plus capital from long-term debt including current maturities, minority stockholders' equity in consolidated subsidiaries and accumulated deferred taxes and investment tax credits. The profit figure used in this computation is the sum of net income, minority interest in net income and estimated aftertax interest paid on long-term debt—in other words, income before charges (which means, primarily, interest payments on long-term debt) relating to the nonequity portion of the capital.

The return on total capital is a "basic" measure of an enterprise's profitability. For companies that derive all of their capital from common equity, the two profitability measures would of course be identical. But a company that employs debt wisely can thereby boost return on stockholders' equity well above return on total capital. The time periods employed for this calculation are the same as for return on stockholders' equity.

Debt-to-equity ratio This ratio tells us to what extent management is using borrowed funds (leverage) in an attempt to increase profits. It is calculated as of the end of the last reported fiscal year by dividing long-term debt (including current maturities) by the sum of stockholders' equity, minority stockholders' interest and accumulated deferred taxes and investment tax credits. A high debt-to-equity ratio makes earnings more volatile and is usually considered prudent only in relatively stable industries.

Net profit margin This measure gives a view of profits different from either the return on stockholders' equity or the return on total capital. Calculated by dividing net profits for the latest 12 months by net sales, it reveals what percentage of each dollar of revenue is available for payment of dividends and reinvestment in the business.

Earnings-per-share growth This is a bit tricky. To even out short-run distortions caused by very poor or very good years, we reach back over ten years to measure five-year earnings-per-share growth. Using primary earnings per share, we take the average for the most recent five years (1975 through the latest 12 months) and compute the percentage change from the average for the preceding five years (1970 through 1974). We then express that change in terms of a five-year compound annual rate of growth, since the midpoints of the two periods are five years apart.

Sales growth As with earnings growth, we go back ten years to calculate the five-year rate of sales growth. We compare average sales for the company's most recent five years against the average for the preceding five years, and express the change in terms of a five-year compound annual growth rate.

---

*This assumes that all "common stock equivalents"—convertible bonds, convertible preferred stocks, warrants and stock options—have been converted into common shares.

Where to Find the Company

	Rank			
Company	Profitability	Growth	Stock Market	Industry Survey Page
Abbott Laboratories	165	176	254	130
ACF Industries	596	553	699	115
Aetna Life & Casualty	263	249	496	210
H F Ahmanson	473	325	261	210
Air Prods & Chems	210	132	789	137
Akzona	978	962	872	137
Albertson's	83	157	286	99
Alcan Aluminium	652	450	564	87
Alco Standard	221	237	142	106
Alexander & Baldwin	885	912	769	163
Alexander's	936	804	362	176
Allegheny Corp	804	603	180	106
Allegheny Ludlum Inds	847	715	572	196
Allegheny Power	738	857	846	152
Allen Group	646	398	125	76
Allied Chemical	894	840	647	137
Allied Products	998	972	715	106
Allied Stores	565	238	255	176
Allied Supermarkets	1030	998	1030	99
Allied Van Lines	953	938	606	163
Allis-Chalmers	716	50	98	106
Alterman Foods	882	816	181	99
Alcoa	637	342	636	87
Am International	995	959	179	170
AMAX	762	779	552	87
Amdahl	17	**	903	170
Amerace	679	836	520	115
Amerada Hess	396	720	270	67
American Airlines	826	**	569	163
American Bakeries	662	**	133	145
American Brands	425	668	478	106, 130
Amer Broadcasting	180	182	151	214
American Can	690	295	866	200
American Cyanamid	610	758	724	130, 137
American Elec Power	756	892	843	152
American Express	221	320	880	210
American Family	34	166	131	210
American Financial	56	189	391	210
Amer Genl Insurance	351	259	166	210
American Greetings	593	677	731	184
Amer Hoist & Derrick	480	234	363	115
American Home Products	19	509	975	130
Amer Hospital Supply	534	378	863	99, 130
American Intl Group	49	150	610	210
Amer Maize-Products	654	532	616	145
Amer Medical Intl	613	377	17	130
American Motors	1001	953	464	76
American Natl Ins	701	306	472	210
Am Natural Resources	586	784	835	152
American Petrofina	624	820	836	67
American Standard	184	**	74	106, 206
American Stores	187	148	173	176
American Tel & Tel	715	678	852	152, 190
AmeriTrust Corp	745	680	677	210
Ametek	145	289	165	115
AMF	661	917	679	106, 184
Amfac	833	876	775	106
AMP	186	333	693	190
Ampex	602	**	58	190
Amstar	562	691	669	145
Amsted Industries	170	92	369	115
Anchor Hocking	604	618	648	200
Anderson, Clayton	697	320	469	145

	Rank			
Company	Profitability	Growth	Stock Market	Industry Survey Page
Anheuser-Busch Cos	532	740	976	145
ARA Services	673	724	914	176
Arcata	604	19	277	214
Archer Daniels Midland	271	152	342	145
Arden Group	1018	998	479	99
Arizona Public Service	613	767	734	152
Ark Louisiana Gas	331	598	280	152
Armco	760	599	746	196
Armstrong Cork	821	736	1006	206
Armstrong Rubber	908	612	749	76
Arvin Industries	252	116	487	76
ASARCO	940	941	562	87
Ashland Oil	20	87	213	67
Associated Dry Goods	891	881	929	176
Athlone Industries	129	69	245	196
Atlanta Gas Light	721	661	702	152
Atlantic Richfield	451	231	584	67
A-T-O	693	390	328	106
Auto Data Processing	161	173	311	170
Avco	119	**	20	106, 210
Avery International	747	695	984	115
Avnet	198	304	110	190
Avon Products	16	587	772	130, 176
Avondale Mills	959	932	938	92
Bache Group	927	267	264	210
Baker International	68	63	288	115
Baldwin-United	151	290	117	210
Ball Corp	493	331	458	200
Bally Manufacturing	141	273	8	184
Baltimore Gas & Elec	760	858	709	152
BanCal Tri-State	872	700	489	210
BancOhio Corp	800	735	585	210
Bangor Punta	381	**	26	106
Bank of New York	656	786	738	210
BankAmerica Corp	312	415	673	210
Bankers Trust NY	852	868	822	210
Barnes Group	331	268	246	76
Bausch & Lomb	264	145	249	130
Baxter Travenol Labs	358	167	780	130
Beatrice Foods	350	568	746	145
Beckman Instruments	544	160	72	190
Becton, Dickinson	512	439	892	130
Beech Aircraft	59	36	32	124
Belco Petroleum	212	182	83	67
Bell & Howell	1007	979	544	170
Bemis	785	482	446	200
Bendix	503	348	400	76, 106
Beneficial Corp	604	885	578	176, 210
Bergen Brunswig	910	26	163	99
Best Products	53	22	1	176
Bethlehem Steel	974	955	979	196
Big Three Industries	254	117	385	115
Bird & Son	219	338	592	206
Black & Decker	481	495	921	92
Blount	155	278	156	206
Blue Bell	70	95	148	92
Bluebird	379	225	56	145
Boeing	266	29	39	124
Boise Cascade	690	**	252	200, 206
Borden	669	524	844	145
Borg-Warner	684	478	359	76, 106
Borman's	895	**	293	99
Boston Edison	903	926	808	152

Profitability: 5-Year Return on Equity. **Growth:** 5-Year Compounded Annual Earnings Per Share Growth.
Stock Market: 5-Year Price Change. **Not ranked.

Where to Find the Company

Company	Rank: Profitability	Rank: Growth	Rank: Stock Market	Industry Survey Page
Braniff Intl	474	408	732	163
C F Braun	270	61	225	206
Briggs & Stratton	137	640	728	115
Bristol-Myers	133	431	765	130
Brockway Glass	795	749	703	200
Brooklyn Union Gas	704	781	594	152
Brown-Forman Dist	527	530	129	145
Brown Group	707	765	587	92, 176
Browning-Ferris Inds	759	787	374	115
Bruno's	95	83	14	99
Brunswick	813	847	819	106, 184
Bucyrus-Erie	238	175	878	115
Bunker-Ramo	950	759	53	190
Burlington Inds	915	867	908	92
Burlington Northern	965	201	751	163
Burroughs	523	353	931	170
Business Men's Assur	776	190	153	210
Butler Manufacturing	342	403	534	206
Cabot	688	500	96	137
Cal-Maine Foods	499	374	618	99
Caldor	99	195	73	176
Cameron Iron Works	102	59	339	115
Campbell Soup	474	631	917	145
Campbell Taggart	303	399	301	145
Cannon Mills	917	664	420	92
Capital Cities Commun	204	177	160	214
Capital Holding Corp	626	507	980	210
Carnation	323	447	977	145
Carolina Pwr & Lt	723	790	631	152
Carpenter Technology	309	188	188	196
Carson Pirie Scott	641	230	200	176
Carter Hawley Hale	656	761	773	176
Castle & Cooke	609	532	652	145
Caterpillar Tractor	108	222	653	76, 115
CBI Industries	189	443	932	115
CBS	104	347	698	214
Ceco	937	937	943	206
Celanese	764	467	629	137
Centex	236	275	75	206
Central & South West	559	793	957	152
Central Illinois Lt	854	930	807	152
Central Ill Pub Svc	682	871	815	152
Central Louisiana Engy	256	465	319	152
Central Soya	737	821	828	145
Central Steel & Wire	401	141	310	196
Central Tel & Utils	356	624	708	152
Certain-teed	516	253	427	206
Cessna Aircraft	323	357	192	124
CFS Continental	832	823	896	99
Champion Home	1016	979	1025	184
Champion Intl	487	557	447	200, 206
Champion Spark Plug	409	790	875	76
Charter Company	18	119	29	67
Chase Manhattan	832	844	802	210
Chemical New York	741	742	851	210
Chesebrough-Pond's	229	535	859	130
Chessie System	914	294	919	163
Chic & North Western	881	981	242	163
Chic Pneumatic Tool	880	886	934	115
Chicago Rock Island	1026	998	**	163
Chromalloy American	328	630	363	106
Chrysler	1015	979	962	76
Chubb	369	355	849	210
Cincinnati G & E	676	862	870	152
Cincinnati Milacron	568	76	99	115

Company	Rank: Profitability	Rank: Growth	Rank: Stock Market	Industry Survey Page
Circle K	234	393	150	99
CIT Financial	701	796	609	210
Citicorp	413	487	996	210
Cities Service	851	742	521	67
Citizens & Southern NB	964	963	939	210
City Investing	623	575	184	106
City Stores	1024	998	433	176
Clark Equipment	434	575	659	76, 115
Clark Oil & Refining	501	487	177	67
Cleveland Elec Illum	629	848	918	152
Clorox	227	731	684	92
Cluett, Peabody	842	171	379	92
CNA Financial	244	**	119	210
Coachmen Industries	69	41	317	184
Coastal States Gas	593	581	93	152
Coca-Cola	98	528	847	145
Coca-Cola Bottling NY	836	884	806	99
Colgate-Palmolive	369	572	1023	92, 130
Collins & Aikman	560	651	611	92
Colonial Penn Group	42	206	988	210
Colt Industries	305	244	315	196
Columbia Gas System	718	810	661	152
Columbia Pictures	2	**	15	184
Columbus & So Ohio	743	814	598	152
Combined Insurance	138	481	322	210
Combustion Engnrng	374	439	260	115
Commercial Metals	787	895	470	87
Commonwealth Edison	814	885	948	152
Commonwealth Oil Rfg	1025	979	688	67
Computer Sciences	8	**	27	170
ConAgra	62	10	46	145
Cone Mills	335	65	162	92
Congoleum	424	382	16	206
Connecticut General	394	358	639	210
Conoco	271	285	453	67
Consolidated Edison	745	504	253	152
Consolidated Foods	682	848	532	145
Consol Freightways	132	219	382	163
Consol Natural Gas	669	573	553	152
Consolidated Papers	280	120	176	200
Consumers Power	723	753	536	152
Continental Airlines	909	293	282	163
Continental Corp	530	424	678	210
Continental Group	705	522	915	200
Continental Illinois	431	497	537	210
Continental Tel	640	834	756	152
Control Data	930	355	127	170, 210
Cook United	982	575	143	176
Cooper Industries	73	103	102	115
Adolph Coors	555	586	1027	145
Copeland	265	569	330	190
Copperweld	454	355	511	196
Corning Glass Works	585	519	566	190
CPC International	255	414	632	145
Crane	202	191	409	196
Crocker Natl Corp	503	575	595	210
Cross & Trecker	**	84	**	115
Crouse-Hinds	157	226	226	190
Crown Central Petroleum	108	55	77	67
Crown Cork & Seal	366	349	548	200
Crown Zellerbach	665	655	675	200
Crum & Forster	239	322	296	210
Culbro	987	965	1001	130
Cullum Companies	538	338	101	99
Cummins Engine	472	362	582	76

Profitability: 5-Year Return on Equity. **Growth:** 5-Year Compounded Annual Earnings Per Share Growth.
Stock Market: 5-Year Price Change. **Not ranked.

Where to Find the Company

Company	Rank: Profitability	Growth	Stock Market	Industry Survey Page
Curtice-Burns	191	197	373	145
Curtiss-Wright	899	44	334	106
Cyclops	911	754	626	196
Dan River	942	129	158	92
Dana	195	274	237	76
Dart Industries	413	307	211	106
Data General	96	34	218	170
Dayco	327	430	576	106
Dayton-Hudson	116	67	91	176
Dayton Power & Light	807	909	885	152
Dean Foods	174	71	126	145
Dean Witter Reynolds	599	531	541	210
Deere	297	312	604	76
DEKALB AgResearch	317	343	1003	145
Delmarva Power & Lt	798	896	762	152
Delta Air Lines	432	593	809	163
Deluxe Check Printers	47	271	782	214
Dennison Mfg	461	438	172	115
Denny's	115	123	434	184
DeSoto	783	489	543	206
Detroit Edison	878	891	655	152
DETROITBANK Corp	554	574	451	210
Dexter	274	180	178	137
Diamond Intl	622	767	628	200
Diamond Shamrock	112	168	407	137
Dibrell Brothers	650	376	406	145
Di Giorgio	920	748	234	99, 145
Digital Equipment	357	57	190	170
Dillard Dept Stores	852	754	499	176
Dillingham	889	161	398	106
Dillon Companies	71	186	558	99
Walt Disney	719	315	547	184
R R Donnelley & Sons	542	466	726	214
Dorchester Gas	32	31	219	67
Dorsey	726	523	199	200
Dover Corp	94	227	137	206
Dow Chemical	118	253	894	137
Dow Jones	26	464	367	214
DPF	**	**	353	145
Dravo	595	370	480	206
Dresser Industries	156	144	380	115
Duke Power	735	745	663	152
Dun & Bradstreet	92	563	485	214
E I du Pont	507	700	805	137
Duquesne Light	848	931	857	152
Dynalectron	960	927	103	206
E-Systems	135	90	33	124
Eagle-Picher Inds	336	445	273	115
Earth Resources	27	38	340	67
Easco	292	462	452	76
Eastern Air Lines	922	**	545	163
Eastern Gas & Fuel	478	429	555	67
Eastman Kodak	260	695	986	184
Eaton	468	676	506	76
Echlin Manufacturing	201	388	730	76
Jack Eckerd	258	265	559	176
Economics Laboratory	304	361	949	92
Edison Bros Stores	60	121	149	176
EG&G	169	134	250	190
El Paso Company	766	920	525	152
Emerson Electric	191	482	788	190
Emery Air Freight	11	351	908	163
Emhart	295	282	370	115
Engelhard Minerals	63	285	348	87
ENSERCH	540	785	670	152

Company	Rank: Profitability	Growth	Stock Market	Industry Survey Page
Entex	38	68	76	152
Envirotech	848	547	783	115
Equifax	218	846	709	214
ERC	307	248	140	210
Esmark	720	653	837	106, 145
Ethyl	281	516	472	137
Evans Products	362	39	47	206
Ex-Cell-O	624	278	224	115
Exxon	449	707	597	67
Fairchild Industries	258	124	24	124
Fairmont Foods	925	889	840	145
Farm House Foods	21	46	5	99
Farmers Group	150	262	608	210
Fed-Mart	973	958	992	176
Fedders	1028	979	891	92
Federal Co	392	202	167	145
Federal-Mogul	380	298	477	76
Fedl Natl Mortgage	418	554	965	210
Federal Paper Board	840	824	216	200
Federated Dept Stores	513	601	938	176
Ferro	455	624	819	206
Fidelcor	991	975	1021	210
Fieldcrest Mills	444	236	223	92
Firestone	997	974	1017	76
First Bank System	505	637	890	210
First Charter Finl	500	333	614	210
First Chicago Corp	693	686	967	210
First City Bancorp	450	480	422	210
First Intl Bshs	343	459	828	210
First Natl Boston	826	835	883	210
First Natl Supermkts	**	966	**	99
First Penna Corp	924	951	991	210
First Wisconsin Corp	887	860	443	210
Fischbach & Moore	555	765	864	206
Fisher Foods	829	925	944	99
Fisher Scientific	639	114	175	115
Fleetwood Enterprises	591	671	968	184
Fleming Companies	323	533	621	99
Flickinger	510	423	410	99
Flintkote	797	526	112	206
Florida Power	632	759	461	152
Florida Power & Lt	676	719	656	152
Flowers Industries	199	327	258	145
Fluor	105	56	145	206
FMC	575	412	428	106
Food Fair	1021	**	998	99
Foodarama Supermkts	747	**	756	99
Ford Motor	459	428	873	76
Foremost-McKesson	343	608	361	99
Fort Howard Paper	40	98	309	200
Foster Wheeler	157	126	60	115
Foxboro	437	89	376	115
Franklin Mint	128	370	1029	184
Frederick & Herrud	582	851	222	145
Freeport Minerals	601	787	351	137
Fruehauf	476	458	542	76
Fuqua Industries	855	869	134	106
GAF	979	954	799	106
Gamble-Skogmo	879	888	818	176
Gannett	287	308	529	214
Garfinckel Brooks Bros	620	675	449	176
Gas Service	792	817	602	152
Gates Learjet	79	91	28	124
GATX	870	921	791	115
GEICO	981	979	1026	210

Profitability: 5-Year Return on Equity. **Growth:** 5-Year Compounded Annual Earnings Per Share Growth.
Stock Market: 5-Year Price Change. **Not ranked.

Where to Find the Company

	Rank			
Company	Profitability	Growth	Stock Market	Industry Survey Page
Gelco	159	58	82	163
General Cinema	182	287	84	184
General Dynamics	550	138	71	124
General Electric	231	559	764	92, 106, 190
General Foods	296	426	561	145
General Host	1010	979	203	145
General Instrument	753	170	45	190
General Mills	308	373	850	145
General Motors	211	495	642	76
General Public Utils	845	852	1011	152
General Refractories	1003	971	633	115
General Reinsurance	149	199	904	210
General Signal	466	335	269	115
General Tel & Elec	481	648	664	152, 190
Genl Tire & Rubber	681	613	504	76, 106
Genesco	1022	998	867	92, 176
Genuine Parts	164	340	676	76
Georgia-Pacific	262	392	662	200, 206
Gerber Products	415	642	533	145
Getty Oil	544	302	575	67
Giant Food	389	370	279	99
Gifford-Hill	653	629	336	206
Gillette	334	839	933	130
Gino's	574	678	525	184
Girard	777	802	658	210
GK Technologies	582	607	267	87
Godfrey	485	451	346	99
Goldblatt Brothers	1004	977	942	176
Golden State Foods	152	162	654	99
B F Goodrich	946	734	729	76
Goodyear	884	866	952	76
Gordon Jewelry	457	322	206	176
Gould	396	406	424	190
W R Grace	608	505	638	106, 137
W W Grainger	195	263	501	190
Graniteville	906	873	643	92
Gray Drug Stores	729	697	445	176
Great Atl & Pac Tea	1013	998	899	99
Gt Northern Nekoosa	533	405	423	200
Gt Western Financial	543	314	505	210
Greyhound	699	832	759	145, 163
Grumman	514	**	538	124
Gulf & Western Inds	189	180	566	106
Gulf Oil	711	726	494	67
Gulf Resources & Chem	521	694	735	87
Gulf States Utils	769	878	923	152
Gulf United	621	788	229	210
Halliburton	90	81	622	206
Hammermill Paper	866	689	665	200
Handy & Harman	186	217	259	87
Hanna Mining	552	471	760	196
Hannaford Bros	386	485	704	99
Hanover Insurance	261	291	105	210
Harcourt Brace Jovan	612	730	475	214
Harnischfeger	684	434	546	115
Harris Bankcorp	769	738	859	210
Harris Corp	438	296	42	115, 190
Harsco	271	299	235	115
Hart Schaffner & Marx	912	812	666	92
Hartfield-Zodys	439	**	38	176
G Heileman Brewing	61	179	48	145
H J Heinz	441	289	727	145
Walter E Heller Intl	578	783	1004	210
Hercules	699	798	982	137
Hershey Foods	267	348	357	145

	Rank			
Company	Profitability	Growth	Stock Market	Industry Survey Page
Heublein	347	525	745	145
Hewlett-Packard	302	174	510	170, 190
Hilton Hotels	139	66	25	184
Edward Hines Lumber	904	751	612	206
Hobart	536	721	689	115
Holiday Inns	831	885	244	184
Honeywell	698	536	201	170, 190
Hoover Co	834	893	791	92
Hoover Universal	122	317	307	76
George A Hormel	557	562	460	145
Hospital Corp of Am	284	153	57	130
Host International	386	662	411	184
Household Finance	[illegible]	653	706	176, 210
Houston Industries	568	712	823	152
Houston Natural Gas	45	77	360	152
Houston Oil & Minerals	4	20	308	67
Howard Johnson	618	549	123	184
Hughes Tool	321	93	490	115
Humana	229	102	4	130
E F Hutton Group	120	115	227	210
Hyster	202	133	164	76, 115
IC Industries	896	600	442	106, 163
Ideal Basic Inds	394	394	577	206
Idle Wild Foods	241	233	256	145
Illinois Power	662	870	902	152
Illinois Tool Works	346	543	714	115
Imperial Corp of Am	398	208	293	210
INA	636	637	739	210
Inco Ltd	916	946	969	87
Indianapolis Pwr & Lt	588	812	630	152
Ingersoll-Rand	488	718	994	115
Inland Steel	801	728	946	196
Insilco	415	592	394	92
Intel	31	27	41	190
Interco	519	657	503	92
Interlake	858	674	812	196
IBM	140	436	721	170
Intl Flavors & Frag	130	415	985	130
Intl Foodservice	1027	979	956	99
Intl Harvester	772	352	564	76
Intl Minerals & Chem	41	35	737	137
Intl Multifoods	529	476	502	145
International Paper	367	270	922	200
Intl Tel & Tel	843	860	623	106
Interpace	619	310	416	206
Interpublic Group	113	192	69	214
Iowa Beef Processors	136	110	100	145
Irving Bank Corp	673	620	605	210
Itel	461	88	895	170
IU International	957	949	733	106
Jefferson-Pilot	602	501	916	210
Jewel Companies	774	789	786	99
Jim Walter	359	432	804	206
Johns-Manville	732	657	853	206
Johnson & Johnson	250	412	971	130
Johnson Controls	217	187	67	115
Jonathan Logan	967	944	511	92
Earle M Jorgensen	282	257	414	196
Joy Manufacturing	402	220	743	115
K mart	195	195	907	176
Kaiser Alum & Chem	576	211	285	87
Kaiser Steel	896	511	754	196
Kane-Miller	949	915	797	145
Kaneb Services	52	255	408	67
Kansas City Pwr & Lt	816	859	853	152

Profitability: 5-Year Return on Equity. **Growth:** 5-Year Compounded Annual Earnings Per Share Growth.
Stock Market: 5-Year Price Change. **Not ranked.

Where to Find the Company

	Rank			
Company	Profitability	Growth	Stock Market	Industry Survey Page
Kansas Power & Light	664	827	896	152
Kaufman & Broad	926	583	335	206
Kay	161	13	145	145
Kellogg	36	335	838	145
Kellwood	876	924	825	92
Kemper Corp	154	211	152	210
Kennecott Copper	999	976	1009	87
Kentucky Utilities	830	875	778	152
Kerr Glass Mfg	442	136	1013	200
Kerr-McGee	469	391	974	67
Keystone Consolidated	989	940	1019	196
Walter Kidde	579	143	205	106
Kimberly-Clark	232	118	644	130, 200
Kings Dept Stores	216	442	413	176
Knight-Ridder News	442	369	239	214
Knudsen	822	854	233	145
Koehring	901	499	134	115
Koppers	320	223	372	106
Kraft	420	510	817	145
Kroger	597	419	384	99
Kuhn's-Big K Stores	771	852	439	176
Laclede Gas	628	752	681	152
Lane Bryant	750	839	701	176
Lear Siegler	142	106	87	106, 190
Leaseway Transportation	87	252	354	163
Levi Strauss	13	32	31	92
Levitz Furniture	734	710	202	176
Libbey-Owens-Ford	589	746	617	76
Liberty Natl Life	673	622	978	210
Liggett Group	835	829	694	130, 145
Eli Lilly	148	517	958	130
Lincoln Natl Corp	751	636	615	210
Liquid Air of No Amer	426	344	926	137
Litton Industries	970	324	11	106
Lockheed	3	**	55	124
Loews	131	147	182	130, 184
Lone Star Industries	676	632	395	206
Long Island Lighting	615	818	761	152
Longs Drug Stores	121	304	856	176
Longview Fibre	347	551	214	200
Louisiana Land	65	692	528	67
Louisiana-Pacific	384	594	343	200, 206
Louisville Gas & Elec	790	878	901	152
M Lowenstein	1005	979	909	92
Lowe's Companies	176	386	941	99
LTV	955	**	981	106, 196
Lubrizol	77	381	785	137
Lucky Stores	72	506	437	99
Lukens Steel	876	540	884	196
Macmillan	931	626	114	214
R H Macy	514	348	191	176
Magic Chef	857	727	468	92
Mallinckrodt	215	210	928	137
Malone & Hyde	205	330	625	99
Manhattan Industries	599	7	262	92
Manufacturers Hanover	509	590	858	210
Manufacturers National	590	644	578	210
MAPCO	30	125	862	67
Marathon Mfg	171	11	9	115
Marathon Oil	355	454	284	67
Marine Midland Banks	972	960	871	210
Marriott	667	374	356	184
Marsh & McLennan Cos	14	389	707	210
Marsh Supermarkets	439	258	527	99
Marshall Field	913	906	832	176

	Rank			
Company	Profitability	Growth	Stock Market	Industry Survey Page
Martin Marietta	459	469	320	106
Maryland Cup	632	471	292	200
Masco	93	165	691	206
Masonite	665	808	718	206
Massey-Ferguson	1017	979	1016	76
Mattel	10	**	134	184
May Dept Stores	592	447	672	176
Oscar Mayer	453	616	456	145
Maytag	46	668	776	92
MCA	89	80	138	184
McCormick & Co	436	417	692	145
J Ray McDermott	146	86	861	206
McDonald's	67	111	763	184
McDonnell Douglas	643	772	207	124
McDonough	314	346	168	92
McGraw-Edison	576	537	436	190
McGraw-Hill	274	309	154	214
McLean Trucking	411	673	682	163
McLouth Steel	985	614	1020	196
Mead	228	127	325	200
Mellon National Corp	794	698	685	210
Melville	35	193	161	92, 176
Memorex	**	**	10	170
Mercantile Stores	451	498	781	176
Merck	55	478	913	130
Meredith	422	50	187	214
Merrill Lynch & Co	565	663	649	210
MGM	42	23	63	184
Metromedia	84	73	12	214
Fred Meyer	340	280	314	99
Michigan National	336	455	462	210
Middle South Utils	721	856	927	152
Midland-Ross	470	154	141	115
Minnesota Gas	444	699	800	152
Minn Mining & Mfg	177	537	906	106
Missouri Pacific Corp	44	216	305	163
Mobil	524	639	304	67
Modern Merchandising	88	62	22	176
Mohasco	958	922	935	92
Monfort of Colorado	968	792	524	145
Monsanto	471	475	744	137
Moore Corp	288	627	1010	170
Moore McCormack Res	243	21	183	163
J P Morgan & Co	455	566	964	210
Morrison-Knudsen	539	107	221	206
Morse Shoe	244	122	21	176
Morton-Norwich	848	883	369	130
Motorola	598	518	758	190
Munford	990	969	686	99
G C Murphy	963	920	789	176
Murphy Oil	579	564	106	67
Nabisco	293	587	540	145
Nalco Chemical	78	318	605	137
Nash Finch	298	399	719	99
Nashua	521	689	696	170
National Airlines	986	964	79	163
National Can	782	776	459	200
Natl Convenience Strs	214	137	52	99
Natl Detroit Corp	656	645	498	210
National Distillers	634	451	570	106, 145
National Fuel Gas	820	795	711	152
National Gypsum	695	507	463	206
National Kinney	1028	979	204	106
Natl Semiconductor	116	77	266	190
National Svc Inds	378	724	323	106

Profitability: 5-Year Return on Equity. **Growth:** 5-Year Compounded Annual Earnings Per Share Growth. **Stock Market:** 5-Year Price Change. **Not ranked.

Where to Find the Company

Company	Rank: Profitability	Rank: Growth	Rank: Stock Market	Industry Survey Page
National-Standard	711	611	826	196
National Steel	935	899	973	196
National Tea	1012	998	741	99
Nationwide Corp	855	571	333	210
Natomas	183	108	287	67
NCNB	684	763	590	210
NCR	368	30	159	170
New England Electric	705	770	657	152
New England G & E	629	736	641	152
N Y State Elec & Gas	742	815	770	152
New York Times	650	709	330	214
Newmont Mining	898	939	668	87
Niagara Frontier Services	54	85	132	99
Niagara Mohawk Power	775	825	680	152
NICOR	464	705	600	152
A C Nielsen	229	397	493	214
NL Industries	778	777	337	106
NLT	755	561	633	210
NN Corp	690	794	155	210
Norfolk & Western Ry	788	256	848	163
Norin	867	97	89	145
Norris Industries	172	331	189	206
North American Coal	311	139	378	67
North Amer Philips	573	359	507	190
Northeast Utilities	815	887	710	152
No Indiana Pub Svc	764	908	945	152
Northern Natural Gas	248	286	535	152
No States Power	631	799	771	152
Northern Trust	731	714	919	210
Northrop	97	74	130	124
Northwest Airlines	864	594	401	163
Northwest Bancorp	488	546	686	210
Northwest Energy	318	437	170	152
Northwest Industries	178	157	209	106
Northwestern Steel	656	863	995	196
Norton	561	402	281	115
Norton Simon	524	649	713	145
Nucor	39	100	34	196
NVF	484	491	44	196
Occidental Petroleum	290	477	440	67
Ogden	266	229	392	106
Ohio Casualty	102	327	393	210
Ohio Edison	785	913	814	152
Oklahoma Gas & Elec	756	889	993	152
Oklahoma Natural Gas	163	307	517	152
Olin Corp	740	2	430	106
Olympia Brewing	902	757	712	145
Outboard Marine	871	894	937	184
Outlet	448	246	210	214
Owens-Corning Fbrgls	250	164	523	206
Owens-Illinois	778	580	865	200
Oxford Industries	838	778	**	92
Pabst Brewing	919	919	1007	145
PACCAR	123	215	215	76
Pac Gamble Robinson	611	683	834	99
Pacific Gas & Elec	788	865	877	152
Pacific Lighting	784	770	716	152
Pacific Pwr & Lt	711	828	798	152
Pacific Resources	322	242	313	67
Paine Webber	301	64	212	210
Pamida	954	947	939	176
Pan Am World Airways	945	**	303	163
Panhandle Eastern	290	539	518	152
Parker Drilling	57	40	122	206
Parker-Hannifin	310	449	257	115

Company	Rank: Profitability	Rank: Growth	Rank: Stock Market	Industry Survey Page
Parker Pen	101	112	68	184
Parsons	15	54	37	206
Pay Less Drug (Cal)	798	855	370	176
Pay Less Drug NW	237	275	95	176
Pay'n Save	206	184	299	176
Peabody Intl	562	313	513	115
Peavey	672	682	568	145
Penn-Dixie Inds	1014	979	889	206
Penn Traffic	382	283	465	99
PennCorp Financial	826	560	118	210
J C Penney	645	683	1002	176
Pa Power & Light	667	797	856	152
Pennwalt	557	281	508	137
Pennzoil	82	248	312	67
Peoples Drug Stores	839	712	235	176
Peoples Gas	447	634	623	152
PepsiCo	168	360	574	145
Perini	923	74	251	206
Perkin-Elmer	464	386	467	190
Petrie Stores	24	156	619	176
Petrolane	85	206	78	67
Pfizer	315	581	854	130
Phelps Dodge	977	967	970	87
Phila Electric	863	907	811	152
Philadelphia Natl	727	809	768	210
Philip Morris	124	250	755	130
Phillips Industries	961	904	383	184
Phillips Petroleum	226	194	425	67
Phillips-Van Heusen	969	843	268	92
Pillsbury	403	406	515	145
Pioneer Corp	27	113	164	152
Pioneer Hi-Bred Intl	75	135	808	145
Pitney-Bowes	249	49	417	170
Pittsburgh National	607	665	589	210
Pittston	107	277	774	67
Pneumo Corp	476	3	64	99
Polaroid	812	597	813	184
H K Porter	634	28	539	115
Portland Genl Elec	869	923	912	152
Potlatch	352	163	358	200
Potomac Elec Power	823	864	841	152
PPG Industries	687	514	583	106, 206
Procter & Gamble	253	558	966	92, 130
Provident Life & Acc	256	292	447	210
Public Service Colo	841	914	898	152
Public Service Indiana	495	706	868	152
Public Svc Elec & Gas	778	850	627	152
Pueblo International	1011	979	746	99
Pullman	648	457	683	115
Purex Industries	486	528	481	92
Purolator	518	842	695	76
Quaker Oats	495	555	472	145
Quaker State Oil	415	740	893	67
Questor	980	936	483	76
Rainier Bancorp	478	327	186	210
Ralston Purina	360	470	961	145
Ramada Inns	962	950	196	184
Rapid-American	861	140	220	92, 176
Rath Packing	1029	979	993	145
Raychem	467	68	381	190
Raymond Intl	147	12	331	206
Raytheon	167	168	124	106,124,190
RCA	375	159	492	92, 190, 214
Reeves Brothers	710	547	309	92
Reichhold Chemicals	895	830	881	137

Profitability: 5-Year Return on Equity. **Growth:** 5-Year Compounded Annual Earnings Per Share Growth.
Stock Market: 5-Year Price Change. **Not ranked.

demand. Even with a recession, supply disruptions—considered increasingly likely—would probably spark more panic buying by Japan, the European nations and the U.S. Adds King, "While you can make a scenario that it'll be a very dull year, the chances are that it'll be anything but."

The Aramco partners have been the biggest winners so far, says Eck. "They've had lots of oil, and cheap oil, while the rest of us have been struggling along with not so much oil and paying a lot of money for it. It is very likely that some of the extraordinary profits that were earned by the Aramco partners will be largely eliminated because of changes in the Saudi price, which was well below the world market. I think there's going to be a sharp reduction in overseas marketing and refining profits. Those companies that have export refineries have benefited very substantially from the split crude-oil price system because they sold products at prices that approximate the spot market price."

> ***"They [at OPEC] are not ordinary businessmen, to be sure. But more money is what they want. The lunatic prices are going to settle down and the laggard prices are going to settle up."—MIT economist Morris A. Adelman***

How about betting on the outcome? "Oil stocks? We like them. But we're flashing cautionary signals," says Drexel Burnham Lambert oil stock analyst Joel Fischer. Fischer looks at how much oil a company has and where it is. "If you have no secure supply then you have to go on the spot market and grit your teeth," he says. "Iran is scaring hell out of people."

Domestically? Gulf's King again: "I think it'll be pretty much a status quo year. Our access to offshore leases is not moving forward as rapidly as it might. I don't see any dramatic increase or decrease in environmental constraint. If the OPEC price goes up a lot and there are shortages, that's bound to increase pressures for government control. Not that any of this is rational, but people may get so fed up that they say this isn't working, anything else can't be as bad, so let's try it."

This being an election year makes such talk more than just game-playing. What candidate will dare run in support of the oil industry? The candidates of whatever persuasion will as usual offer simplistic solutions to complicated problems, and everyone will blame the oil companies for something. Whether the public will buy that kind of demagoguery remains to be seen. Americans might rather do business with oil companies that they perceive to be greedy than with bureaucrats whom they perceive to be incompetent and inefficient. Anyhow, as Gulf's King put it, 1980 is not likely to be a dull year for the oil industry.

Natural gas supply is less shaky. One reason there's no current shortage is the dip in demand from industrial users.

Energy

Yardsticks of Management Performance

	Profitability								Growth			
	Return on Equity				Return on Total Capital				Sales		Earnings Per Share	
Company	5-year average	5-year rank	latest 12 months	debt/ equity ratio	latest 12 months	5-year rank	5-year average	net profit margin	5-year average	5-year rank	5-year average	5-year rank
International Oils												
Phillips Petroleum	19.5%	1	24.3%	0.2	18.6%	1	14.7%	10.5%	16.6%	5	21.6%	1
Conoco	18.5	2	24.9	0.4	16.2	2	13.2	6.6	16.5	6	17.9	2
Occidental Petroleum	18.2	3	40.5	0.7	15.9	7	9.4	4.8	13.5	8	13.0	3
Exxon	15.5	4	18.7	0.2	14.1	4	12.2	5.0	17.3	4	7.3	6
Standard Oil Calif	15.0	5	20.6	0.3	15.8	3	12.4	6.0	20.8	2	10.4	4
Mobil	14.5	6	19.8	0.4	14.0	5	11.1	4.1	22.1	1	9.4	5
Gulf Oil	12.2	7	15.6	0.2	12.7	6	10.4	5.1	14.6	7	6.7	7
Texaco	10.9	8	15.6	0.3	11.1	8	8.4	4.2	20.0	3	-2.0	8
Medians	**15.3**		**20.2**	**0.3**	**15.0**		**11.7**	**5.1**	**17.0**		**9.9**	
Other Oil & Gas												
Houston Oil & Minerals	55.7%	1	22.9%	0.8	11.0%	3	20.0%	15.8%	80.2%	1	51.1%	1
Tosco	44.8	2	112.5	2.0	23.5	23	11.0	3.7	49.8	4	39.7	3
Charter Company	31.9	3	111.8	1.1	52.4	7	16.1	6.5	29.2	13	26.1	10
Ashland Oil	31.4	4	67.0	0.6	27.9	8	15.7	7.8	17.6	33	29.7	7
Earth Resources	30.2	5	24.1	0.5	15.2	1	20.4	4.1	32.4	11	37.4	4
MAPCO	29.7	6	24.6	0.8	12.7	11	14.9	9.7	30.7	12	25.6	11
Dorchester Gas	29.3	7	36.9	0.7	20.0	4	19.4	6.9	55.2	2	42.0	2
Texas Oil & Gas	28.5	8	27.0	0.8	13.9	9	15.5	10.8	50.2	3	35.1	5
Kaneb Services	26.5	9	22.4	1.0	13.3	12	-14.2	11.7	34.7	10	18.8	99
Louisiana Land	25.5	10	27.3	0.2	21.1	2	20.3	21.4	22.3	17	7.9	33
Pennzoil	24.8	11	33.6	1.1	14.1	27	10.7	11.0	20.2	27	19.0	18
Petrolane	24.7	12	24.6	0.5	17.1	6	16.7	5.3	21.6	20	21.1	14
Sigmor	24.4	13	29.7	0.6	20.1	5	18.6	3.9	37.9	7	20.1	15
Crown Central Petroleum	23.5	14	57.7	0.9	29.2	13	14.2	6.8	22.4	16	34.0	6
Natomas	20.6	15	22.6	0.4	15.5	14	14.0	12.2	36.4	8	26.9	8
Belco Petroleum	19.8	16	23.2	0.2	18.2	10	14.9	11.9	21.0	21	22.1	12
Standard Oil Ohio	19.5	17	44.4	2.0	16.4	35	8.7	12.7	22.0	19	26.9	9
Pacific Resources	17.5	18	19.6	1.0	10.5	32	9.5	2.3	39.6	6	19.3	17
Marathon Oil	17.0	19	20.5	0.6	12.5	18	12.1	4.7	20.4	26	13.6	26
Tenneco	17.0	20	16.5	0.8	8.8	34	9.2	5.2	17.1	34	10.3	31

Energy

Yardsticks of Management Performance

	Profitability								Growth			
	Return on Equity				Return on Total Capital				Sales		Earnings Per Share	
Company	5-year average	5-year rank	latest 12 months	debt/ equity ratio	latest 12 months	5-year rank	5-year average	net profit margin	5-year average	5-year rank	5-year average	5-year rank
Standard Oil Indiana	16.7	21	19.6	0.3	13.8	15	12.7	7.7	18.1	32	14.4	25
United Refining	16.3	22	28.6	0.5	18.7	21	11.3	3.5	24.1	14	14.5	24
Amerada Hess	16.2	23	27.7	0.6	19.4	20	11.7	6.8	18.8	31	6.9	34
Sun Company	16.1	24	19.7	0.2	14.1	28	10.6	5.8	22.7	15	12.2	28
Quaker State Oil	15.9	25	17.7	0.4	11.4	23	11.0	5.6	20.8	23	6.2	35
Shell Oil	15.8	26	16.0	0.2	12.1	16	12.3	7.6	16.5	35	15.5	22
Union Oil California	15.8	27	17.9	0.4	11.9	25	10.9	6.4	16.3	37	11.4	29
Atlantic Richfield	15.5	28	19.0	0.5	12.3	26	10.8	7.0	20.0	28	19.6	16
Kerr-McGee	15.2	29	14.7	0.2	11.1	19	12.0	6.5	20.7	25	15.2	23
Clark Oil & Refining	14.8	30	31.5	0.6	20.1	31	9.8	3.5	19.1	30	12.7	27
Suburban Propane Gas	14.8	31	18.8	0.7	10.8	33	9.2	4.1	20.8	24	10.0	32
Reserve Oil & Gas	14.8	32	17.3	0.5	11.4	22	11.2	1.7	35.2	9	21.2	13
Getty Oil	14.2	33	17.8	0.1	14.3	17	12.1	11.7	15.0	39	17.4	20
Murphy Oil	13.9	34	18.3	0.7	9.6	36	8.5	5.7	19.5	29	11.0	30
American Petrofina	13.3	35	23.2	0.8	14.5	30	10.2	5.9	21.0	22	3.6	37
Superior Oil	11.6	36	22.5	0.5	14.7	29	10.4	15.3	22.1	18	17.0	21
Cities Service	10.0	37	10.7	0.5	7.7	37	7.7	3.7	16.5	36	6.2	36
Tesoro Petroleum	9.5	38	35.7	0.9	15.2	38	7.7	2.5	40.2	5	-10.2	38
Commonwealth Oil Rfg	def	39	26.8	4.3	8.3	39	def	1.6	15.8	38	P-D	39
Medians	**17.0**		**23.2**	**0.6**	**14.1**		**11.7**	**6.5**	**21.6**		**17.4**	
Coal												
Pittston	23.6%	1	11.8%	0.1	9.9%	2	18.8%	4.5%	15.4%	3	18.0%	2
Westmoreland Coal	21.4	2	4.3	0.2	2.5	1	19.1	2.0	13.0	5	17.8	3
North American Coal	17.7	3	20.7	4.4	6.6	5	7.0	3.9	21.9	2	24.6	1
St Joe Minerals	17.4	4	17.6	0.3	12.1	3	14.2	8.2	22.4	1	8.9	5
Eastern Gas & Fuel	15.1	5	14.1	0.6	8.0	4	8.6	5.7	14.5	4	14.1	4
Medians	**17.7**		**14.1**	**0.3**	**8.0**		**14.2**	**4.5**	**15.4**		**17.8**	
Industry Medians	**17.0**		**22.5**	**0.5**	**14.1**		**11.9**	**5.9**	**20.8**		**16.3**	
All-Industry Medians	**15.1**		**16.7**	**0.4**	**11.8**		**11.0**	**5.3**	**13.1**		**13.1**	

Note: Explanation of Yardstick calculations on page 51.
P-D Profit to Deficit. def Deficit.

Those that had been on interruptible supply contracts were badly burned when supplies were cut off in the past. So they switched to distillate or heavy fuel oil. Now that they can get gas again, they're reluctant to risk going back.

Edward Erickson, a professor of business and economics at North Carolina State University, in a recent study for the Natural Gas Supply Association notes that it is possible for users to stockpile fuel oil, but not gas. Consequently, many large users choose to expand the use of fuel oil relative to gas.

Conoco's Bailey adds a cautionary note: "Right now the supply of gas in the U.S. is quite adequate, but I think we have to expect over time that our natural gas supplies, like crude oil, are finite. The available supplies should be conserved for home heating or chemical feedstocks. Natural gas should not be consumed in our electric utility boilers or large industrial boilers." Here, coal is the more appropriate fuel.

For every ton of coal consumed, an estimated four barrels of oil is saved. And every time the price of oil goes up, the economics of using $20-to-$35-a-ton coal as fuel begins to look better.

Aside from the flurries of speculation in coal stocks with each rumble from the Middle East, coal will have significantly less potential than oil this year and probably for several years to come. But beyond that, coal starts looking very good.

Dean Witter Reynold's veteran coal specialist Joel Price sees the first active moves toward reconverting power plants to coal coming in 1980. He also sees headway being made in attempts to untangle the morass of government regulation that is now impeding coal use. Coal, Price notes, has growing political clout on Capitol Hill.

Moreover, with new nuclear plants frozen and with the environmentalists holding up new offshore oil drilling, to say nothing of Mideast supply troubles, coal is what's left. Until 1985, Joel Price says, coal is like the girl who "sits waiting to get married while the carefree bachelor tries all the other girls."

For every ton of coal consumed, an estimated four barrels of oil is saved. And every time the price of oil goes up, the economics of using $20-to-$35-a-ton coal as fuel begins to look better, if the regulators will allow it. "It's unfortunate that we haven't really been able to put in place an overall energy program," says Conoco's Bailey. "One of the reasons is that we have not been able

Conoco Inc. Chairman Ralph E. Bailey

Unable to mesh environmental and energy goals, the U.S. has wasted time hunting scapegoats and a quick fix.

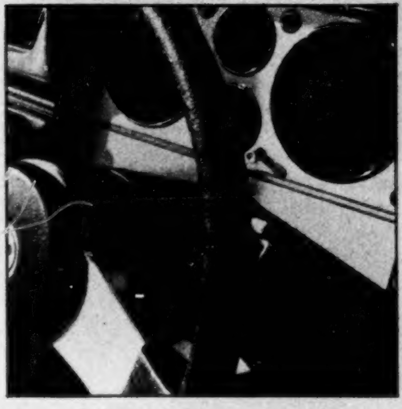
to find a reasonable balance between our environmental goals and economic and energy goals. We've devoted too much time in a futile search for some quick fix and maybe an equally futile scapegoating effort. Business and government have to begin to cooperate rather than to have an extension of what I think has been a very serious adversarial relationship that's been building up over the last several years." A former head of Consolidation Coal Co., a Conoco subsidiary, Bailey may have as much experience with that problem as anyone in the energy business.

Jack Kawa, a coal analyst at Wheat First Securities in Richmond, looks for some increased coal buying at the end of the year in anticipation of a strike: The United Mine Workers contract expires in March 1981. And Joel Price sees a coal export boom. It started in 1979 when European countries started buying U.S. coal, not only for steelmaking but also for electrical generation. Coal operators are cautious about this market. But working for more U.S. exports are East European coal export cutbacks and Australian port-capacity problems and labor unrest.

Absent a severe oil cutoff, though, Kawa and Price agree that big profits for the coal companies are still several years away. "Demand is still growing in the coal business," says Kawa, "but the capacity to produce is contracting as marginal operations shut down. So what's going to happen is that demand is going to catch up with supply, probably in 1982 or 1983, depending on how many mines are closed. The faster these mines close, the quicker the coal market will turn."

Kawa sums it up neatly: "The Ayatollah has done us a favor. This thing in Iran has galvanized public opinion. Anyone who stands in the way now of getting this country moving toward energy independence—whether it's an environmentalist or a businessman—is going to get trampled." Amen. ■

Who could have foreseen that rampaging mobs in Iran in 1978 would bring Detroit to crisis in 1979? But the auto business has always been cyclical.



Automotive

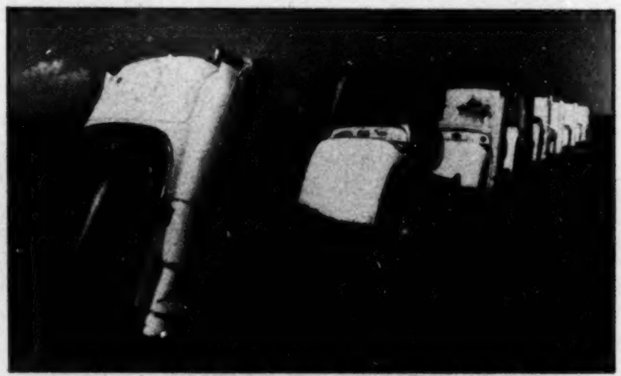
REMEMBER FOCH AT the second battle of the Marne? "My center is giving way, my right is pushed back, situation excellent, I am attacking."

You think he had troubles? Look at Detroit. Sales are sinking, imports are chewing up the market like Japanese beetles in a cabbage patch, Chrysler is close to going belly-up, and Ford is losing money on North American production. Tens of thousands go on and off layoff lists at auto plants each week, but wages are likely to go up $1.15 an hour or so this year. If that wasn't grim enough, the oil companies are talking about gasoline lines again this summer.

In the face of this debacle, are the automakers, like the French marshal, counterattacking? They are getting ready to. "I guess if you were going to be a timid soul you really ought not be in this industry," says Philip Caldwell, president of Ford Motor Co. Car sales, for example, tumbled into 1980 running at a rate of about 9.3 million a year, down from 10.6 million actually sold in 1979. And 2 million-plus of 1980's sales will be imports. In short, about the worst year since 1975.

It will improve, insists General Motors, which predicts combined 1980 car-truck sales of 14 million, matching 1979.

"Fifteen months is the typical Detroit recession," says Arvid Jouppi, the veteran auto analyst at John Muir & Co. "January, February and March sales will run behind 1979, but the crossover will come in early April." He sees spring sales running ahead of last year, which isn't too impressive because last year's spring was hurt by the gasoline lines. "But the third and the fourth quarters will be quite respectable." Car sales this year will end up at about 11.4 million, predicts Jouppi, or almost a million-car gain for Detroit (as imports are nibbled down) over 1979. Much more pessimistic is Lance Brofman, senior economist at A. Gary Shilling & Co., who predicts 10.1 million car sales this year (8 million U.S.-made) and 8.9 million in 1981 with only 7 million of those American models.



A dirty old man with a beard turned Detroit's world upside down

This is no place for a timid soul, says Ford's Caldwell.

"Whenever I start reading about the death of the automobile I figure the downturn is close to its cyclical bottom," says David Healy, analyst at Drexel Burnham Lambert. His estimates are lower—9.7 million sales this year. But he says the import surge will be stopped this coming fall when Detroit introduces new families of gasoline-saving small cars.

Ford's coming small car carries the code name Erika and replaces Pinto. Then in spring of 1981 Ford will offer a sporty takeoff of the Erika. Later, this basic car will be used as the base for a larger model, then possibly chopped to create a minicar. Chrysler is betting its life on the 1981 model K-body series to replace its Aspen and Volare lines. Sleeker variations will be built from the K-models the following year. General Motors Corp. has what it calls its J-body program set for spring 1981 introduction, an entire series of small sporty vehicles. GM's J-car and Ford's Erika will be world cars, allowing variations to be built in other countries to hold down costs.

Unfortunately, they won't cope with the Japanese problem. "We've got two choices," says one Detroiter of the Japanese. He doesn't want his name used because he isn't echoing his firm's policy—yet. "We can abandon the entire bottom of the market to the Japanese—or slap on quotas." Japanese import sales ran about 1,750,000 cars last year, with another half-million trucks coming in. The boom began with the gasoline crisis. Worse, the collapse of the yen against the dollar means the Japanese can hold prices down while American costs and prices soar—some Japanese haven't even raised prices on their 1980 models. This import competition could prevent the American manufacturers from making profits on their smaller cars. (Detroit has often lost money on its small cars.)

"Talk and ship," is the way Ford's Caldwell described Japan's export policy—meaning, negotiate endlessly while pouring cars into the market. Ironically, American duties on import cars are declining this year. The result is likely to spur protectionist talk. Volkswagen, now an American assembler, is complaining to the U.S. Treasury that the Japanese import trucks without paying the required 25% duty by landing them without cargo boxes and not calling them trucks.

Each of Detroit's automakers has its own strategy for dealing with 1980's troubles. GM says it is determined to move ahead on a massive buildup of overseas capacity despite any worldwide recession. "You can't look at the valley; you've got to look at the mountain," says one typically optimistic GM official. "Ford first, then Toyota," said another GM man. GM dominates the market here, but is an also-ran abroad.

The biggest automaker is also pushing forward with the second round of its "downsizing" and will attempt to introduce a family of smaller intermediate-size cars in spring of 1982 and freshly shrunk full-size models in spring of 1983, six months earlier than previously planned in both cases. In addition, GM is working to increase capacity for diesel engines, four-cylinder engines and front-wheel-drive components.

At Ford, the overseas business—which GM is attacking—is what keeps number two in the black. But Ford isn't frightened by GM's publicized plans for conquest. Caldwell says: "We feel that we are making investment decisions on the basis of what is good business, not what might get ink in the newspaper." The major job of the Ford management, however, is to recapture lost sales in the U.S. market and make money on them. That means cutting costs (which Ford is doing at its plants) and getting higher prices for its coming small cars. Ford is expected to be profitable this year ($3 a share, analyst Healy estimates) despite an internal estimate of a $1 billion loss on its combined North American automotive operations.

There will be no profits at Chrysler Corp. The automaker last fall estimated that its 1980 net loss would approach $500 million, but that loss will probably grow as Chrysler sales fall even further with the industry downturn. Lee Iacocca, Chrysler's CEO, had a plan that was probably viable pre-Khomeini. It was to cut costs and improve efficiency enormously, pick up a few added sales with hard work this year, then come on the market with his K-body cars and some expensive models for extra profits. Now Iacocca worries that the odor of bankruptcy could kill any survival hopes. Some waiting-list customers for the still popular Omni and Horizon cars have backed off when their cars were actually ready.

Retail vehicle sales

The industry spinout continues. When will it end, midyear or beyond? Will Chrysler survive it? If imports keep climbing, will protection follow?

Year	U.S. cars (mil)	Imported cars (mil)	U.S. trucks (mil)	Imported trucks (mil)
1975	7.1	1.6	2.2	0.23
1976	8.6	1.5	2.9	0.24
1977	9.1	2.1	3.4	0.32
1978	9.3	2.0	3.8	0.34
1979	8.3	2.3	3.1	0.50

American Motors Corp. seems finally to have escaped the usual rumors of impending demise. When its conventional cars failed in the marketplace in recent years, its profitable Jeep sales soared. When Jeeps sagged last year, the company found success with its new four-wheel-drive Eagle cars. Eventually the company will produce a small, four-cylinder car based on France's Renault, which already owns a piece of American.

The newest American manufacturer, of course, is Volkswagen, which boosted production to 1,000 a day from 850 as 1979 ended. What's more, VW will probably announce a major manufacturing expansion in the U.S. this year.

Legend has it that companies in the business of selling replacement parts boom in a slow auto year, since car owners spend more money keeping the old car running. Maybe, but those old trends are slowing, says Henry P. Allessio of William E. Hill & Co. Lighter cars, improved tires and more electronic components mean fewer replacements of all kinds of parts than formerly.

The overall outlook, of course, will be affected by the fuel supply. GM and other optimists admit the first quarter will be low, but they predict hefty gains as the year goes on. However, much depends on a dirty old man with a beard in far-off Qom. If Khomeini throws the whole Middle East into turmoil, the auto industry's recovery could be retarded. But the real question about the industry's recovery is not whether but when. ■

Automotive

Yardsticks of Management Performance

	Profitability								Growth			
	Return on Equity				Return on Total Capital				Sales		Earnings Per Share	
Company	5-year average	5-year rank	latest 12 months	debt/ equity ratio	latest 12 months	5-year rank	5-year average	net profit margin	5-year average	5-year rank	5-year average	5-year rank
Vehicles												
Subaru of America	72.1%	1	54.6%	0.0	55.0%	1	67.2%	1.7%	44.5%	1	D–P	
Caterpillar Tractor	23.5	2	22.6	0.4	17.3	4	17.3	7.6	17.2	4	20.2	4
PACCAR	22.8	3	28.8	0.1	26.8	2	20.9	6.3	14.9	7	20.8	3
Hyster	20.1	4	27.9	0.2	23.1	5	15.9	9.8	13.8	8	25.2	1
General Motors	19.8	5	19.7	0.1	18.1	3	18.0	5.1	13.2	9	12.5	9
Deere	18.1	6	18.0	0.4	13.6	6	14.3	6.6	17.5	3	17.2	5
Clark Equipment	15.7	7	19.7	0.3	15.1	8	11.6	6.2	8.4	13	10.8	10
Ford Motor	15.4	8	15.4	0.1	13.0	7	12.7	3.3	12.7	10	14.1	7
Fruehauf	15.1	9	18.8	0.7	10.9	9	9.5	3.5	20.8	2	13.4	8
Signal Companies	13.1	10	20.2	0.5	13.7	10	9.4	4.9	15.9	6	22.7	2
Intl Harvester	11.3	11	15.8	0.5	11.3	11	8.5	3.7	11.3	11	16.0	6
American Motors	1.5	12	18.9	0.2	16.1	12	2.3	2.2	10.9	12	–10.8	11
White Motor	def	13	9.0	0.8	7.0	14	1.4	1.7	3.1	15	P–D	12
Chrysler	def	14	def	0.4	def	15	def	def	8.2	14	P–D	12
Massey-Ferguson	def	15	def	1.2	def	13	1.7	def	16.9	5	P–D	12
Medians	**15.4**		**18.9**	**0.4**	**13.7**		**11.6**	**3.7**	**13.8**		**13.4**	
Tire & Rubber												
Genl Tire & Rubber	12.6%	1	10.1%	0.3	8.2%	1	9.4%	4.2%	11.0%	1	10.9%	2
Goodyear	9.2	2	7.7	0.6	6.0	2	7.0	2.0	10.0	3	1.2	4
Armstrong Rubber	8.3	3	6.5	0.6	5.7	3	6.2	2.2	10.5	2	10.0	1
B F Goodrich	6.4	4	10.2	0.5	7.7	4	5.6	3.0	8.9	5	6.5	3
Uniroyal	2.0	5	def	0.8	1.4	5	2.9	def	5.9	6	–20.7	5
Firestone	2.0	6	def	0.4	def	6	2.5	def	9.2	4	–26.2	6
Medians	**7.4**		**7.1**	**0.6**	**5.9**		**5.9**	**2.1**	**9.6**		**3.9**	

Automotive

Yardsticks of Management Performance

	Profitability								Growth			
	Return on Equity				Return on Total Capital				Sales		Earnings Per Share	
Company	5-year average	5-year rank	latest 12 months	debt/ equity ratio	latest 12 months	5-year rank	5-year average	net profit margin	5-year average	5-year rank	5-year average	5-year rank
Auto Supplies												
Snap-On Tools	24.8%	1	30.6%	0.2	26.0%	2	20.7%	11.5%	18.9%	2	19.2%	2
Hoover Universal	22.8	2	20.7	0.6	14.5	3	17.4	4.7	14.3	10	17.1	6
Genuine Parts	21.2	3	22.1	0.0	21.5	1	21.3	4.8	16.9	5	16.4	7
Dana	20.2	4	22.0	0.3	17.5	4	15.5	6.0	17.5	4	18.1	4
Echlin Manufacturing	20.1	5	21.3	0.5	16.2	5	14.6	7.5	19.4	1	15.5	10
Arvin Industries	18.9	6	13.4	0.6	9.2	9	12.2	4.0	15.4	7	26.1	1
Esco	18.2	7	14.5	0.5	9.7	13	11.4	3.0	14.3	9	13.3	13
Barnes Group	17.4	8	24.4	0.3	18.2	7	13.9	5.9	14.9	8	18.3	3
Federal-Mogul	16.5	9	22.2	0.2	17.5	8	12.6	6.7	10.4	17	17.6	5
Sheller-Globe	16.3	10	10.6	0.5	7.0	17	9.7	2.1	17.5	3	12.8	15
Champion Spark Plug	16.0	11	15.3	0.1	13.6	6	14.6	7.1	10.5	16	4.6	18
Eaton	15.2	12	19.1	0.9	10.1	16	9.9	4.3	12.1	11	8.5	16
Cummins Engine	15.1	13	13.4	0.3	10.1	15	10.5	3.4	16.2	6	15.8	9
Bendix	14.8	14	17.5	0.4	13.9	10	11.9	4.2	11.5	13	16.2	8
Purolator	14.7	15	17.6	0.3	13.6	12	11.4	3.9	10.7	15	2.8	19
Libbey-Owens-Ford	13.8	16	14.3	0.2	12.0	11	11.7	5.4	10.8	14	6.1	17
Allen Group	12.9	17	17.0	0.7	10.0	18	8.7	3.0	11.8	12	15.0	11
Borg-Warner	12.5	18	15.6	0.2	13.5	14	11.0	5.8	8.9	18	13.0	14
A O Smith	9.2	19	14.2	0.2	11.5	19	7.5	3.4	6.4	19	13.6	12
Questor	3.9	20	4.4	0.6	4.6	20	4.0	1.4	6.2	20	−6.1	20
Medians	**16.2**		**17.3**	**0.3**	**13.6**		**11.8**	**4.5**	**13.2**		**15.3**	
Industry Medians	**15.1**		**17.0**	**0.4**	**13.0**		**11.4**	**4.0**	**12.1**		**13.4**	
All-Industry Medians	**15.1**		**16.7**	**0.4**	**11.8**		**11.0**	**5.3**	**13.1**		**13.1**	

Note: Explanation of Yardstick calculations on page 51.
P-D Profit to Deficit. D-P Deficit to Profit; not ranked. def Deficit.

Lords of the line

By the end of the current contract between the United Automobile Workers and the big carmakers (and farm-implement makers, too), a typical production worker may well be earning $28,000 a year. He will continue to be covered by a comprehensive medical and dental plan, will be able to retire at age 56 with a pension (after 30 years on the job) of $915 a month. And, by the end of the contract, of the 261 work days in the year, he'll have about 39 to 40 off with pay—9 paid holidays, a full week between Christmas and New Year's Day and vacation time. If he's laid off, his state unemployment compensation and company supplements will give him almost as much as he earns after taxes.

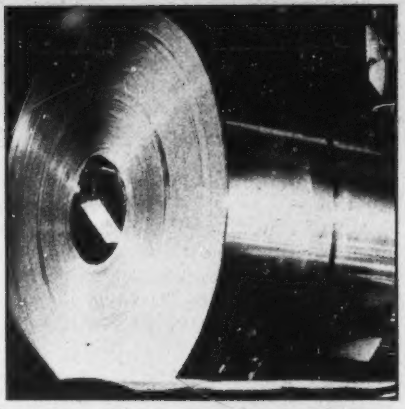
That's not bad for a five-company industry where Chrysler is near bankruptcy, AMC will survive only with the help of a foreign partner, Ford expects to lose $1 billion on its North American automotive operations this year and imports are grabbing 20% to 25% of the market.

These remarkable achievements—by both the industry and the UAW—came about as a result of the evolution of what may be the most civilized and sophisticated bargaining system anywhere. The UAW from its inception in 1936 was constituted as an industrial organization and not a craft union. Unlike George Meany's plumbers and the other building trades crafts unions, which fought every innovation in construction that threatened their control of particular jobs, the UAW took the position that the employer could bring in new labor-saving technology as long as UAW members ran those machines—thus enabling the companies to make enormous investments in productivity and allowing their employees to share in those gains.

Union bargaining tactics have also contributed to their success. Contracts expire around new model introduction time in the fall, when delays in getting new models into the showrooms could ruin an entire model year. What's more, the union bargains not with the industry but with each company individually. As the strike deadline approaches, the union picks a single target company, and that "target" must settle or take a strike while its competitors keep producing cars. If GM takes a long strike, as it did in 1970, its officials feel pressure to settle because of the effect on the national economy (400,000 striking plus tens of thousands making steel or tires or parts affected), as well as the effect on the company's public image, to say nothing of lost profits and lost customers who may not come back.

Just how many workers will be getting that $28,000 a year in 1982 is another question as climbing car prices push some customers out of the market and low-priced imports capture others.

Ever optimistic even in time of adversity, the metals producers think they are entering a golden age. Maybe they are. They have what the world needs.



Metals

If the Seventies was a period of famine for most of the metals producers and their shareholders, the decade of the Eighties promises to be a banquet. For the aluminum and copper giants the few bright years couldn't redeem what turned out to be a decade with one of the worst earnings streaks on record. A binge of overexpansion by the aluminum companies in the late Sixties and early Seventies glutted the marketplace with the metal.

It wasn't until 1978 that the earnings and stock prices for Alcoa, Kaiser Aluminum & Chemical, Reynolds Metals and Alcan began to rebound. In 1979, for the first time in more than a decade, all four companies' return on equity exceeded 16%. All four aluminum producers rang up record earnings, jumping an average of 35% from 1978. And although the recession will almost surely undercut those gains, the tightening supply in the face of increasing demand for these metals over the rest of this decade bodes well for producers and investors alike.

Kaiser Chairman Cornell C. Maier

"To us, building inventories is money in the bank."

"We are positive there is going to be a shortage of aluminum in the Eighties," says Cornell C. Maier, chairman and CEO of Oakland, Calif.'s Kaiser Aluminum. "We'll never again see the overexpansion we had in the late Sixties because of the unavailability and price of energy around the world. To us, building inventories is money in the bank."

Maier's conviction is shared by most industry executives, including Alcoa's Vice President of Corporate Planning Harry Goern, and David M. Culver, president and CEO of Canada's Alcan. Why these men see an impending shortage has a lot to do with the dearth of new primary capacity. Although producers like Kaiser and Alcoa are planning expansion of flat-rolled product, there is virtually no new capacity for primary raw ingot (the term used to describe aluminum extracted from bauxite) scheduled to come on stream domestically in the foreseeable future. (The exceptions in the U.S. are a $400 million plant being built by Alumax in South Carolina, and facilities under construction or just completed by Martin Marietta and Atlantic Richfield's Anaconda subsidiary.) Capacity should grow by 3%, but demand is expected to grow in excess of 5% a year. Japan's decision two years ago, moreover, to cut off a third of its smelting production because of soaring energy costs will mean greater dependence on the U.S.' big three and Alcan for aluminum. What's more, because foreign-made aluminum is more expensive than that manufactured in the U.S., the domestic producers are protected from the threat of import competition.

It is understandable why the producers are not rushing headlong to build smelting plants. Even at today's ingot price of 66 cents a pound—compared with the 1978 average of 55 cents—the massive capital outlays and rocketing energy costs involved would mean a low return on investment. Maier estimates, for example, that building a plant today costs four times the amount it did ten years ago. That's why Kaiser's future expansion plans are negligible compared with its 38% growth in smelting capacity over the last decade. Also, the days of new low-cost hydroelectric power in the U.S. are practically over. The Pacific Northwest's Bonneville Power Authority, which provides cheap energy for the production of a third of the U.S.' aluminum, will soon be hiking its rates sharply.

But that's only the supply side. The changes expected on the demand side are no less a testament to the bright outlook for the Eighties. Government mileage requirements have placed heavy aluminum demands on Detroit's big three automakers. Although the production of automobiles, trucks and buses is almost certain to drop below 1979's 11.5 million units as the recession worsens, each car rolling off Ford's assembly lines this year, for instance, will average 140 pounds of aluminum compared with about 117 pounds last year, and will reach 200 pounds by 1985, when it is estimated that transportation will account for 25% of all aluminum consumed, compared with today's 21%. The other major aluminum markets, construction and containers, are roughly the same size as transportation. With housing starts already dropping from last year's 1.7 million units, demand for aluminum by builders will soften considerably. But the beer and soft-drink can manufacturers will take up some of that slack. The percentage of beer cans made from aluminum has grown from 60% to 75% in the last four years alone, and more growth can be expected in the next four.

Small by comparison with the transportation, building and container markets, the aerospace industry's aluminum usage (3.5% of total consumption) has grown 35% a year for the last couple of years, and although that brisk pace won't be maintained, demand will remain strong. Aircraft manufacturers like Boeing, Lockheed and McDonnell Douglas have three times more orders on their books today than just two years ago. Some of them have worked closely with the manufacturers to develop special alloys containing aluminum, zinc, magnesium and copper.

Aluminum shipments overall are expected to be down 3% to 8% this year from 1979's 7.25 million tons, depending on the severity of the recession. For the longer term, shipments will increase 6% a year. Although Ronald Shorr of Bear, Stearns & Co. is predicting an earnings decline of more than 25% this year for Kaiser, Alcoa, Alcan and Reynolds, an investor willing to look ahead toward 1981 might do well to consider the aluminum play.

Last year brought relief to the long-suffering copper producers—Kennecott Copper, Phelps Dodge, Newmont Mining, GK Technologies and Standard Oil of Indiana's Cyprus Mines subsidiary. Their earnings rocketed as much as 20 times 1978 levels—but from dismally low levels. The big jump was attributable to the 90 cents-a-pound average price of copper compared with the 60-cent-to-65-cent price range of the last five years. As with aluminum, copper prices reflected strong demand for the metal in the face of a dwindling supply. Warehouse inventories at the London Metal Exchange, for example, had gotten below 200,000 tons at year's end, down 70% from the record 709,000 tons of January 1978.

The boom in copper prices follows one of the fallowest periods on record. A worldwide glut of the metal (the U.S. accounts for a fourth of the world's copper) caused prices to fall sharply during the 1974-75 recession. But patient investors whose shares were cut in half in 1977 were able to recoup some of their losses this past year.

"It's been a highly traumatic period. The industry has had to incur enormous debt on its balance sheets," says Phelps Dodge Chairman George Munroe, whose company's production is running full throttle, with workers punching time clocks six days a week instead of the four days common at many Phelps mines in 1975. Munroe is admittedly pessimistic about the economy this year, but sees a resurgence in copper demand in 1981. (In any case he's playing it close to the vest. "We want to remain flexible," he says, echoing the sentiment of other industry executives.) Should demand start falling off, Phelps will curtail production accordingly.

As William G. Siedenburg of Smith Barney, Harris Upham & Co. points out, for every 1-cent price increase in copper, the per-share earnings of Phelps Dodge will increase by as much as 17 cents. For Kennecott, 14 cents; Newmont, 13 cents. Unlike Kennecott and Newmont, Phelps' mines don't produce sizable amounts of gold, silver and molybdenum (an important ingredient in Arctic pipelines), all of which have had sharp price runups.

It's a different story altogether for Kennecott and Newmont, which extract vast amounts of precious metals while mining

Metals

Yardsticks of Management Performance

	Profitability								Growth			
	Return on Equity				Return on Total Capital				Sales		Earnings Per Share	
Company	5-year average	5-year rank	latest 12 months	debt/ equity ratio	latest 12 months	5-year rank	5-year average	net profit margin	5-year average	5-year rank	5-year average	5-year rank
Aluminum												
Kaiser Alum & Chem	13.9%	1	20.5%	0.7	11.4%	3	8.1%	7.1%	13.5%	1	20.9%	1
Alcoa	13.1	2	22.9	0.5	14.8	2	8.8	10.1	12.6	4	16.4	3
Alcan Aluminium	12.8	3	22.2	0.3	14.7	1	9.1	8.6	13.2	2	13.6	4
Reynolds Metals	11.2	4	16.7	0.7	9.4	4	6.5	5.3	12.6	3	19.5	2
Medians	**13.0**		**21.4**	**0.6**	**13.1**		**8.5**	**7.9**	**12.9**		**18.0**	
Copper												
GK Technologies	13.9%	1	28.0%	0.7	13.9%	1	8.9%	5.0%	9.1%	1	10.2%	1
Revere Copper	4.5	2	19.2	1.6	8.8	3	3.3	3.4	7.3	3	5.2	2
Phelps Dodge	4.5	3	8.4	0.6	6.2	2	4.3	6.7	3.0	4	–16.3	3
Kennecott Copper	1.8	4	6.1	0.4	5.4	4	2.6	3.7	8.2	2	–27.0	4
Medians	**4.5**		**13.8**	**0.7**	**7.5**		**3.8**	**4.4**	**7.8**		**–5.6**	
Diversified Metals												
Engelhard Minerals	25.7%	1	33.1%	0.3	25.1%	1	20.7%	1.8%	27.1%	1	21.1%	1
Handy & Harman	20.5	2	17.7	0.8	11.1	3	13.7	2.4	10.4	8	20.5	2
St Joe Minerals	17.4	3	17.6	0.3	12.1	2	14.2	8.2	22.4	2	8.9	3
Gulf Resources & Chem	14.6	4	10.4	0.9	7.1	4	9.8	3.5	18.8	3	7.7	4
AMAX	11.4	5	19.4	0.4	13.4	6	8.4	12.4	9.5	9	5.1	5
Commercial Metals	11.1	6	22.7	0.4	16.5	5	9.1	1.3	15.2	4	–0.5	7
Texasgulf	10.7	7	13.4	0.4	8.5	7	7.6	13.3	10.8	7	0.6	6
Newmont Mining	8.7	8	21.6	0.4	14.2	8	6.7	16.2	14.0	5	–7.5	8
Inco Ltd	8.0	9	3.9	0.5	2.5	10	5.2	3.6	12.4	6	–8.9	10
ASARCO	6.9	10	24.3	0.4	18.0	9	6.1	14.3	5.1	10	–7.6	9
Medians	**11.3**		**18.6**	**0.4**	**12.8**		**8.8**	**5.9**	**13.2**		**2.0**	
Industry Medians	**11.3**		**19.3**	**0.5**	**11.8**		**8.3**	**6.0**	**12.5**		**6.5**	
All-Industry Medians	**15.1**		**16.7**	**0.4**	**11.6**		**11.0**	**5.3**	**13.1**		**13.1**	

Note: Explanation of Yardstick calculations on page 51.

copper. These by-product metals partly offset the huge cost of mining copper. Kennecott, for instance, produces more gold than any other U.S. mining company except Homestake Mining Co. For every ton of copper (worth about $1,900 at recent prices) that comes out of a Kennecott mine, the company reaps about $225 worth of gold, $125 worth of silver and $408 worth of molybdenum. One of the lowest-cost copper producers is Newmont, which last year produced 350,000 ounces of gold—earning more from gold alone in 1979 than from all its operations in 1978.

Siedenburg predicts earnings for the copper producers will drop more than 10% on average this year as copper prices fall to the 80-cent-to-85-cent range. He sees a 6% drop in domestic consumption and a slight increase in demand outside the U.S. Also contributing to lower prices will be the addition of some 600,000 tons of production as new mines come on stream or old ones are reopened in Mexico, Australia, Chile, the Philippines and Canada, as well as in the U.S. But despite the short-term softening of demand, things look considerably brighter longer term.

"We are positive there is going to be a shortage of aluminum in the Eighties. If we were to build a plant today, it would cost at least four times the amount of ten years ago."

Siedenburg predicts that in the Eighties there will be a new range of pricing for copper in the $1-to-$1.70 range. If he's right, earnings for the producers could grow exponentially.

In diversified metals, earnings were up sharply last year for ASARCO, Texasgulf, Gulf Resources & Chemical, St. Joe Minerals, Engelhard Minerals & Chemicals and AMAX as the prices of lead, zinc and molybdenum followed copper, aluminum, silver and gold. AMAX, Inc., the world's biggest molybdenum producer, doubled its earnings to $6.15 as molybdenum prices went from an average of $4.50 to over $8 a pound. With lead averaging about 50 cents a pound—15 cents above 1978's price—St. Joe Minerals was able to hike its earnings last year from $1.95 to $3.85. The diversified metals producers, like the copper producers, have weathered a bad decade, forcing them to shut down marginal mines. Gulf Resources & Chemical, for one, shut down two of its zinc operations and hasn't yet reopened them.

Just how the metals producers will fare this year depends, of course, on what happens to the economy. Long range, they have what the world must have. ■

The soapmakers and suppliers to retail chains have already had a dry run on their recession, so their inventories are down and they've cut costs.

Household products and apparel

For the makers of clothing, textiles, appliances and housewares, 1980 could turn out to be not a whole lot worse than what they went through last year. While the recession that was supposed to swallow 1979 only played around with the economy like a pussycat with a mouse, companies such as Whirlpool Corp., Oxford Industries, Hoover Co., Magic Chef and Springs Mills took the worst of it. The rising costs of housing, energy, food and medical care, on which inflation is taking a 17% annual ride, leave that much less disposable income for spending on cooking ranges, refrigerators, sport jackets and hair dryers.

Consumers have been borrowing at record rates, but they are being very selective about where they spend those borrowed dollars. For most of the companies in Forbes' Household Products And Apparel Group this translates into a continued inability to pass on rising manufacturing costs to their customers. Thus, the inflation rate for *non*necessities last year was a mere 6%—half the overall rate.

In July Procter & Gamble ($9.3 billion) tried a 7% price increase on its facial and toilet tissue—two very important products in P&G's nonfood product area, the source of 85% of its sales and over 90% of its profits. But by September, when competitors like Colgate-Palmolive Corp. ($4.5 billion) still hadn't hiked their own prices, P&G called off its increase. That signals the priorities for *this* group in 1980: soft prices maybe, but loss of market share? Over somebody's dead body.

Heels to the rescue?

Fashion and wild eclecticism in style raised U.S. shoe sales 18% last year to over $14.3 billion: track shoes, tennis shoes, cowboy boots, saddle shoes, resurgent penny loafers, woven summer shoes, climbing boots, women's pumps in staggering combinations of color, heel, strap and toe formation.

There would be little to stop shoe bags from overflowing except that leather prices are 65% higher than two years ago and foreign producers, who account for about half of U.S. retail shoe sales, are pushing their highest-priced products onto the U.S. to get the most from import quotas. The variety is still bringing shoppers to the shoe stores in droves, but there's less buying. Says Milton Shore, president of Morse Shoe Co., a $400 million operator of leased shoe departments and nearly 600 self-service Fayva stores, "There is not a tremendous amount of optimism for 1980."

But style changes may keep the bubble floating a while longer; Joseph Browne, "better shoe" manager at Bloomingdale's—always a trend leader for shoe retailers—expects this spring's lower heel on women's shoes to boost demand again. And what Bloomies can sell for $100 in leather, Fayva can market for $30 in polyurethane.

For housekeeping productmakers like P&G and Colgate, the transition into the 1980s means facing up to the end of 25 years of unceasing market growth as the baby-boom generation matures into its homemaking phase. Market analysts, such as Jane Gilday of Faherty and Faherty, look for Purex ($629 million sales) and other lower-priced discounters to pick up market share from higher-priced competitors.

Still, as bad as the slowdown may get, these companies won't be their own worst enemies this time around. Says Gilday: "This has been the best-heralded recession ever. All through the industry the companies have been watching their inventories and keeping costs down."

If anything, the textile and apparel producers have been even more sensitive. Seldom have the inventory pipelines from department stores to apparel manufacturers to textile producers to fibermakers been so squeaky clean. For those who sustain themselves by keeping the Sears, Roebucks, J.C. Penneys, Montgomery Wards and K marts stocked with plaid shirts, wool socks, sensible underwear and disco pants knockoffs, the cure was almost worse than the disease. As early as the fourth quarter of 1978 the mother chains began inventory workoffs in preparation for their fiscal blahs, and their hungry suppliers have been banging their plates for more orders ever since. Goldman, Sachs textile analyst Jay Meltzer thinks the private-label manufacturers such as Kellwood Co., Oxford Industries, Cluett, Peabody & Co., Inc. and Phillips-Van Heusen Corp. may have already seen the worst of it. "I don't think 1980 will be as bad for them as 1979 was," says Meltzer.

But in St. Louis, where Kellwood is having its second down year in a row (it depends on Sears for 74% of its sales annually), CEO Fred W. Wenzel isn't so sure: "We expect 1980 to be a down year. We haven't seen any appreciable change in orders from Sears, and don't expect to for a while. Consumers aren't going to have enough money to spend on apparel."

But not every garment- and textilemaker is as fused to one customer as Kellwood, and the industry is full of people who don't think they will experience a true recession in 1980 at all. Some say that computerized inventory management systems, careful buying patterns and other hard-learned lessons from 1974-75 may have so diffused the effects of this recession as to change its nature. Says Cone Mills Chairman Lewis S. Morris, "The whole industry learned something from the last recession. With the economy turning down, the industry can look for 1980 to be more of the same as we've had in 1979."

"More of the same" for Morris and Cone Mills will also have its positive side. Along with Dan River Inc., West Point-Pepperell and J.P. Stevens, they are among the biggest producers of denim and corduroy—two products that will continue to be much in demand here and overseas in what looks like an unstoppable rebound from an inventory glut in 1978. The eager denim customers are not only the traditional blue jeans makers, Levi Strauss, Blue Bell and H.D. Lee, but smaller manufacturers, such as Puritan Fashions Corp., which are licensed to make those hot-selling $35 designer jeans.

At year-end the big three jeans producers were claiming 25% order backlogs and 20% to 40% earnings increases over 1978. For some of their denim suppliers, like Graniteville and Riegel, the demand at best promises only to offset the drag on their earnings from other slow-moving fabrics, making 1980 a year of continued flat profits. But Cone Mills, which may have a bigger stake in denim and corduroy than any other U.S. producer, thought enough of the market to pass on a 1.8% price increase to its customers last fall, just after a third quarter lift in prices. There wasn't a murmur of complaint.

Burlington Industries, the biggest factor in the textile business, with sales of $2.4 billion last year, produces about as much denim and corduroy as does $618 million-sales Cone Mills. But Burlington's large commitment to a sagging home furnishings business and a full range of synthetic fabric production sets it up for continued hard times in 1980. Even where there is strong demand for some synthetics, such as textured polyester wovens, a versatile, wear-resistant fabric used by Levi Strauss in its popular stretch slacks and coveted by China, the goods are being overproduced by the industry. In fact, analysts expect the entire noncellulose synthetic fiber industry (including wovens, double knits and polyester staple) to flatten or even fall by 3% or so—an industry segment that grew 7%, to over 8 billion pounds shipped last year.

Nevertheless, Burlington, which took more than a little flak for spending $35 million to modernize a denim-producing plant in the middle of an inventory glut in 1978, is plainly delighted at the way that investment is already paying off. "The onetime startup expenses for modernizing our denim production have already been paid," says Burlington President Frank S. Greenberg. "We said we would be profitable by the March quarter and we were."

Despite the dour outlook for the economy's short-term health, the giant mill firm will continue in 1980 its formidable capital spending of the last few years, devoting about $215 million to new plant and equipment. Explains CEO William A.

Household Products

Yardsticks of Management Performance

	Profitability								Growth			
	Return on Equity				Return on Total Capital				Sales		Earnings Per Share	
Company	5-year average	5-year rank	latest 12 months	debt/equity ratio	latest 12 months	5-year rank	5-year average	net profit margin	5-year average	5-year rank	5-year average	5-year rank
Appliances												
Maytag	27.2%	1	28.8%	0.0	27.5%	1	26.5%	12.0%	9.1%	4	8.7%	5
General Electric	19.4	2	21.2	0.2	18.5	2	16.9	6.4	10.5	3	11.2	2
Whirlpool	18.0	3	16.7	0.1	14.9	3	15.2	4.7	5.3	8	10.7	4
RCA	16.6	4	18.5	0.7	12.2	4	10.7	4.0	8.9	5	23.6	1
Sunbeam	13.2	5	13.7	0.4	11.1	5	10.5	3.8	13.8	1	10.9	3
Hoover Co	10.3	6	18.1	0.1	17.2	6	9.4	5.2	7.4	6	–0.4	7
Magic Chef	9.8	7	12.8	0.5	9.2	7	8.5	3.1	12.8	2	6.7	6
Scovill	9.8	8	18.1	0.8	10.9	8	7.8	3.6	4.4	10	–4.8	9
Zenith Radio	7.8	9	7.9	0.2	7.1	9	7.3	2.1	4.5	9	–9.3	10
Tappan	3.5	10	11.5	0.5	9.1	10	3.5	2.5	6.1	7	–0.5	8
Singer	def	11	def	0.7	def	12	def	def	–0.1	11	P-D	11
Fedders	def	12	def	0.8	def	11	def	def	–4.2	12	P-D	11
Medians	**10.1**		**15.2**	**0.5**	**11.0**		**9.0**	**3.7**	**6.8**		**8.2**	
Housewares & Furnishings												
Rollins Inc	22.3%	1	19.2%	0.1	16.1%	1	17.5%	8.6%	12.6%	3	13.1%	3
Toro	17.2	2	29.2	0.6	21.0	2	12.9	4.8	19.2	1	13.8	2
Insilco	15.9	3	16.7	0.6	9.8	5	9.6	5.2	5.6	8	10.6	6
Black & Decker	15.0	4	21.2	0.2	17.3	3	12.4	7.8	17.5	2	12.5	5
Stanley Works	14.7	5	18.4	0.3	14.7	4	11.6	6.0	11.0	4	12.8	4
Talley Industries	12.7	6	6.9	0.8	5.6	7	8.0	1.8	6.0	7	8.9	7
Roper Corp	12.4	7	9.8	0.6	7.4	6	9.0	2.3	8.1	6	18.5	1
Mohasco	6.0	8	3.5	0.7	3.7	8	5.0	0.9	8.7	5	–2.6	8
Medians	**14.8**		**17.0**	**0.6**	**12.2**		**10.8**	**6.0**	**8.8**		**12.7**	
Housekeeping Products												
Clorox	19.5%	1	19.0%	0.2	15.9%	1	15.1%	6.6%	18.2%	1	6.6%	6
Procter & Gamble	18.9	2	19.4	0.2	15.3	2	14.9	6.1	15.3	4	11.2	3
Economics Laboratory	17.9	3	18.3	0.2	14.5	4	13.7	6.5	17.7	2	15.8	1
Colgate-Palmolive	16.7	4	15.9	0.3	12.6	3	14.4	3.9	16.1	3	10.8	4
Purex Industries	15.0	5	15.1	0.3	11.3	5	11.1	4.1	7.2	6	11.8	2
Scott Paper	11.0	6	15.2	0.4	11.2	6	8.2	7.4	12.1	5	10.6	5
Medians	**17.3**		**17.1**	**0.3**	**13.8**		**14.1**	**6.3**	**15.7**		**11.0**	
Industry Medians	**14.9**		**18.7**	**0.4**	**11.8**		**10.8**	**4.4**	**9.0**		**10.7**	
All-Industry Medians	**15.1**		**18.7**	**0.4**	**11.8**		**11.0**	**5.5**	**13.1**		**12.1**	

Note: Explanation of Yardstick calculations on page 51.
P-D Profit to Deficit. def Deficit.

Klopman, "We are seeing positive results from our extensive capital spending programs. We believe our industry will not suffer as deep a downturn as others and we think that the recession will not be as severe as 1974-75."

Fast-rising export sales have been the most noticeable payoff on the industrywide capital spending spree of recent years. Besides Burlington, producers Dan River and Springs Mills have been spending nearly one and one-half times their annual depreciation (the usual industry level) on modernization.

Along with trade agreements restricting imports, the devalued dollar and worldwide acceptance of U.S. fashions, upgraded technology has made the U.S. the world's lowest-cost textile producer and driven exports up 50% last year while imports fell 20%. Many industry executives, such as Dan River President Robert S. Small, expect that a downturn in consumer spending at home will be considerably offset by the booming export market in 1980. Says Small, "We are countercyclized with Europe and the Far East right now. Last year our exports raised U.S. textile production 2% or 3% for the year and we expect that increase to hold up through 1980."

Could it be that the healthy export market, combined with staggered business cycles here and overseas, will further help to counteract recessionary trends in the coming decade? "At the present time it sure looks that way," says Small. ■

Apparel

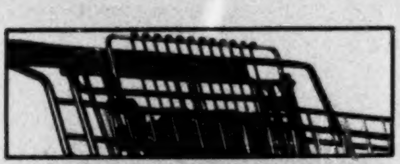
Yardsticks of Management Performance

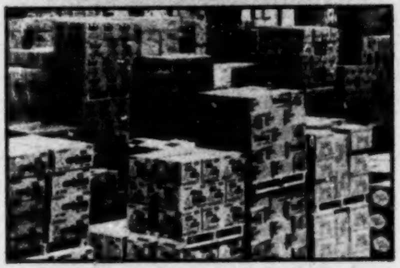
	Profitability								Growth			
	Return on Equity				Return on Total Capital				Sales		Earnings Per Share	
Company	5-year average	5-year rank	latest 12 months	debt/ equity ratio	latest 12 months	5-year rank	5-year average	net profit margin	5-year average	5-year rank	5-year average	5-year rank
Apparel												
Levi Strauss	33.7%	1	32.0%	0.2	27.2%	1	28.1%	9.2%	21.6%	1	40.7%	2
Blue Bell	25.3	2	21.8	0.1	18.6	2	21.0	6.5	17.7	2	28.3	3
VF Corp	16.3	3	17.5	0.1	14.9	3	14.0	6.9	8.8	4	9.6	6
Interco	14.6	4	14.4	0.2	12.8	4	13.7	5.1	11.1	3	8.9	7
Manhattan Industries	13.7	5	11.6	1.0	6.8	5	9.1	1.8	8.4	5	69.6	1
Oxford Industries	10.2††	6	9.9	0.3	8.6	6	8.8††	2.6	7.8	7	5.1†	8
Cluett, Peabody	10.1	7	9.3	0.3	7.7	7	8.5	2.7	2.5	12	22.7	5
Rapid-American	9.8	8	17.1	3.3	6.8	10	5.8	1.5	−0.5	13	24.6	4
Kellwood	9.4	9	def	0.8	1.0	8	7.4	def	8.3	6	−2.7	11
Hart Schaff & Marx	8.2	10	9.9	0.3	8.7	9	7.2	3.2	5.8	9	3.8	9
Jonathan Logan	5.3	11	3.1	0.3	3.1	11	4.8	1.3	4.1	10	−8.4	12
Phillips-Van Heusen	5.2	12	8.5	0.6	6.4	12	4.3	2.2	2.8	11	2.7	10
Warnaco	1.3	13	15.5	0.6	10.6	13	2.7	2.7	7.1	8	−63.4	13
Genesco	def	14	12.5	1.6	7.0	14	def	1.1	−4.4	14	D-D	14
Medians	**10.0**		**12.1**	**0.3**	**8.2**		**8.0**	**2.7**	**7.5**		**7.0**	
Textiles												
Cone Mills	17.4%	1	16.2%	0.1	14.8%	1	15.0%	6.2%	11.3%	2	32.0%	1
Fieldcrest Mills	15.6	2	18.1	0.5	12.9	3	10.9	4.8	9.7	5	19.5	3
Collins & Aikman	14.0	3	12.0	0.1	10.1	2	11.5	3.7	10.6	4	9.0	8
Riegel Textile	14.0	4	12.3	0.4	8.9	5	10.1	3.8	8.9	7	19.2	4
Reeves Brothers	12.2	5	18.0	0.3	14.6	4	10.4	5.8	7.7	10	10.9	7
West Point-Pepperell	10.5	6	9.5	0.4	7.6	6	8.9	2.7	12.4	1	14.3	6
Graniteville	8.5	7	1.1	0.2	1.7	8	7.4	0.4	11.0	3	1.0	12
Burlington Inds	8.0	8	7.4	0.5	6.0	9	6.5	2.9	3.7	13	1.2	11
Cannon Mills	7.9	9	10.5	0.0	10.4	7	7.9	4.9	7.6	11	8.3	9
J P Stevens	7.9	9	9.0	0.6	7.0	10	6.4	2.4	8.2	8	16.8	5
Dan River	6.7	11	13.0	0.5	8.9	13	5.2	3.7	6.4	12	25.5	2
Springs Mills	6.3	12	11.1	0.2	9.5	12	5.5	4.4	9.0	6	8.7	10
Avondale Mills	6.0	13	2.9	0.0	2.9	11	5.8	0.9	8.2	9	−4.6	13
M Lowenstein	def	14	1.1	0.6	2.6	14	1.7	0.3	2.9	14	P-D	14
United Merch & Mfrs	def	15	18.6	3.4	4.9	15	def	1.6	−0.9	15	P-D	14
Medians	**8.0**		**11.1**	**0.4**	**8.9**		**7.4**	**3.7**	**8.2**		**9.0**	
Shoes												
Melville	28.0%	1	26.3%	0.2	24.5%	1	26.4%	4.8%	19.0%	1	21.7%	2
SCOA Industries	25.7	2	28.3	1.0	17.0	2	15.3	2.7	15.1	2	68.9	1
McDonough	17.7	3	16.6	0.1	14.7	3	14.7	5.9	9.7	4	16.3	3
United States Shoe	16.0	4	16.0	0.4	12.5	4	12.3	3.3	11.6	3	13.4	4
Brown Group	12.1	5	15.6	0.3	12.8	5	9.9	3.5	9.6	5	5.5	5
Medians	**17.7**		**16.0**	**0.3**	**14.7**		**14.7**	**3.5**	**11.6**		**16.3**	
Industry Medians	**10.2**		**12.4**	**0.3**	**8.9**		**8.7**	**3.1**	**8.4**		**9.8**	
All-Industry Medians	**15.1**		**16.7**	**0.4**	**11.8**		**11.0**	**5.2**	**13.1**		**18.1**	

Note: Explanation of Yardstick calculations on page 51.

†Four-year growth. ††Three-year average. P-D Profit to Deficit. def Deficit. D-D Deficit to Deficit.

What? Price wars in a time of rapidly rising food prices? That's what the supermarket operators are facing as they peddle the ultimate staple.





Supermarkets and wholesalers

YOU MAY NOT BELIEVE IT from what you see at the checkout counter, but supermarket men are going into 1980 twitching about price wars.

Sure, food sellers always talk about bargains, even when they are raising prices (Giant Cuts Prices; Low Prices . . . Safeway's got 'em; Double-Coupon Savings at A&P). And, of course, prices soared last year, pulling supermarket profits up with them. But now there's a reaction. It's not that people aren't going to buy food. "You can drive an old car, wear old clothes, but everybody has got to eat," observes Jack Twyman, chairman of Super Food Services, Inc., a wholesaler. What concerns retailers is not what they will buy, but where. With food prices likely to jump another 12% in 1980, analysts figure that retailers will panic into price wars to keep from losing volume to each other or to the fast-growing "box" stores, those no-checks-or-coupons-bring-your-own-bag food garages.

"Price wars are ruinous," says Edgar Walzer, editor of *Progressive Grocer.* "Whether it kills companies dead or just maims them is a matter of degree and how long they last. There's not enough margin in the retail business to sustain that sort of thing for any length of time."

There were some serious outbreaks in 1979. In Denver, The Dillon Cos., Inc. reported that sales for the first fiscal quarter were up, but earnings of $9,767,000 were down 37% before taxes because of price wars. Safeway, the nation's largest chain, was hurt by West Coast price wars it had instigated.

"Price wars hit every five to seven years," says analyst Dennis E. Ross of Davis, Skaggs and Co. "They'll have a war for 6 to 12 months. After a few marginal operators are driven out, gimmicks [games and promotions] are introduced again. Then they'll get into trading stamps for a couple of years. When everybody uses stamps and there's no advantage to them, they'll look for something new and you'll get price wars again. This time the big chains decided not to go with stamps, compressing the cycle from seven to four years."

Price wars usually begin when there is a slowdown in inflation and a recession, says Wayne Fisher, chairman and CEO of Lucky Stores, Inc. And that's exactly what he expects early this year. "If we can get by the early part of the year without price wars, we won't have any," he predicts.

In fact, there is no apparent single trend for this year. Generally, the return on equity for the major supermarket chains showed improvement in 1979. Even A&P, long in the doldrums, was looking up. And the recession may not stop these gains, if it encourages more eating at home. "If people decide to buy our chicken instead of going to the Colonel, that'll help us," says Safeway Stores President Dale Lynch.

While the Agriculture Department predicts that consumers will pay 8% more for food next year, it also says supermarket profits will be off somewhat. "The food industry is likely to be

Food stores—the new Euro targets

First it was real estate and farmland, and now supermarkets. Foreign investors are moving into the food industry. Tengelmann's tender for 42% of Great Atlantic & Pacific Tea Co. is the best-known foreign acquisition. But European firms now own, wholly or partly, ten companies with 10% of the U.S. retail food business *(see table).*

"You tell me why anyone would want to get into this business," says Bernard Weingarten, president of Weingarten Inc., a food retailer that had rough times last year. But in a good year American supermarkets are attractive investments, despite margins that are low by European standards. With earnings of 1% to 1.5% of sales, they seem to offer the potential for income growth with little risk.

Foreigners are attracted to American food retailing because they feel they understand it, says analyst Dennis Ross of Davis, Skaggs and Co. "The principles are the same. You buy something, put it in the shop and somebody comes in and buys it." Also, most retail companies have fairly extensive real estate, which foreigners like.

The most likely takeover candidates are chains in the $250 million to $500 million range, with good market penetration, solid management and up-to-date systems. Among the companies which fit that mold are Chatham Markets, Michigan; Farm Fresh Foods, Virginia; Weingarten, Inc., Texas; Fisher Foods, Ohio.

Though European buyers have picked up two of the biggest U.S. supermarket groups, they prefer midsize chains.

European Investor	U.S. Food Chain	Stores	Annual Sales
The Tengelmann Group (W. Germany)	A&P (N.J.)	1,551	$ 6 bil
Cavenham Ltd. (U.K.)	Grand Union (N.J.) and Colonial Stores (Ga.)	778	3 bil
Hugo Mann (W. Germany)	The FedMart Corp. (Calif.)	69	975 mil
British American Tobacco Co. Ltd. (U.K.)	Kohl Corp. (Wis.)	75	414 mil
Delhaize (Belgium)	Food Town Stores, Inc. (N.C.)	85	410 mil
Ahold N.V. (Holland)	Bi-Lo, Inc. (S.C.)	110	400 mil
Promodes (France)	Red Food Stores, Inc. (Tenn.)	34	206 mil
Albrecht GmbH (W. Germany)	Aldi-Benner Co. (Iowa)	50	30 mil
Docks de France (France)	Lil' Champ Food Stores (Fla.)	136	29 mil
Delhaize (Belgium)	Alterman Foods (Ga.)	99	7 mil

squeezed by rising costs and nontraditional food stores," says Kenneth R. Farrell, a USDA economist.

Indeed, the box stores can help spur price wars. For example, A&P's Plus stores average 5,000 to 12,000 square feet and stock only about 800 items, *vs.* about 20,000 square feet and 10,000 items in a typical supermarket. They have little fresh produce and frozen foods and no fresh meat. Items are displayed in the boxes in which they came. These A&P stores go for high volume, thin margins and low wages (FORBES, *Oct. 29, 1979*). "They sell canned goods and package goods on a very competitive basis. Jewel Cos., Inc. claims it can undersell a conventional supermarket by 25% to 30% on the same items," says analyst Ross. A&P claims 30% savings, too.

Another price-cutting device is "generic" products, those with plain white labels and black lettering and no brand name at all. Jewel, which spawned generics, found that only one item

Supermarkets

Yardsticks of Management Performance

	Profitability								Growth			
	Return on Equity				Return on Total Capital				Sales		Earnings Per Share	
Company	5-year average	5-year rank	latest 12 months	debt/ equity ratio	latest 12 months	5-year rank	5-year average	net profit margin	5-year average	5-year rank	5-year average	5-year rank
Major Chains												
Lucky Stores	25.1%	1	29.9%	0.9	17.0%	2	16.0%	1.9%	14.9%	3	12.3%	5
Winn-Dixie Stores	21.2	2	20.5	0.2	17.5	1	19.4	1.9	15.7	2	12.2	6
Supermarkets General	18.1	3	23.6	1.8	11.0	6	9.3	1.1	9.9	7	20.3	1
Safeway Stores	16.1	4	16.5	1.0	10.1	3	11.5	1.2	12.9	4	9.8	7
Southland Corp	15.9	5	18.0	1.3	9.4	4	10.3	1.9	16.0	1	16.0	2
Stop & Shop	14.2	6	13.7	1.5	7.5	7	8.1	0.9	10.0	6	15.1	3
Kroger	13.7	7	18.5	0.5	12.1	5	9.8	1.2	11.5	5	14.6	4
Jewel Companies	11.3	8	13.3	0.7	8.6	8	7.5	1.3	9.6	8	4.6	8
National Tea	def	9	12.5	1.0	8.1	10	def	0.8	−6.3	11	D-D	9
Great Atlantic & Pac Tea	def	10	def	0.9	def	9	def	def	2.7	9	D-D	9
Food Fair	def†	11	**	**	**	11	def†	**	**		**	
Allied Supermarkets	def	12	def	**	def	12	def	def	−3.1	10	D-D	9
Medians	**14.0**		**16.5**	**1.0**	**9.4**		**8.7**	**1.2**	**10.0**		**13.2**	
Regional Chains												
Niagara Frontier Service	26.4%	1	21.7%	1.0	11.8%	1	21.0%	1.9%	27.2%	2	30.0%	5
Dillon Companies	25.1	2	22.1	0.6	14.8	3	20.2	1.7	22.9	4	22.0	8
Albertson's	24.8	3	26.3	1.4	13.3	5	15.0	1.6	21.1	6	23.6	7
Bruno's	24.1	4	28.1	0.7	17.1	4	15.6	1.7	25.3	3	30.6	4
Weis Markets	20.7	5	20.7	0.0	20.7	2	20.7	4.8	13.6	15	15.8	14
National Convenience Stores	19.8	6	27.7	1.9	12.7	8	12.7	1.9	20.1	8	24.8	6
Circle K	19.3	7	29.5	1.2	15.9	7	13.2	2.9	20.5	7	15.2	16
Fred Meyer	17.3	8	16.4	0.7	10.3	9	11.5	2.1	17.4	10	18.0	11
Penn Traffic	16.4	9	16.5	0.4	12.0	6	13.7	1.8	17.7	9	17.9	12
Hannaford Bros	16.3	10	14.1	1.5	8.2	12	11.3	0.8	14.5	14	12.8	18
Giant Food	16.3	11	18.7	0.9	11.3	13	10.8	1.6	9.9	22	15.6	15
Marsh Supermarkets	15.6	12	12.4	1.4	7.4	14	10.4	0.7	11.5	19	18.6	9
Pneumo Corp	15.1	13	11.7	0.7	7.3	11	11.3	1.1	15.4	11	83.2	1
Godfrey	15.0	14	17.3	1.0	10.4	15	9.8	1.0	12.4	17	13.6	17
Waldbaum	14.9	15	14.4	0.9	9.5	10	11.3	0.8	14.9	13	18.4	10
Cullum Companies	14.3	16	22.2	1.2	12.1	18	8.5	1.2	21.7	5	16.5	13
Foodarama Supermarkets	11.6	17	8.3	0.2	7.1	16	9.8	0.5	4.1	26	D-P	
Ruddick	11.4	18	13.8	0.7	10.6	17	9.0	1.6	11.3	20	44.4	2
Fisher Foods	10.3	19	def	1.3	2.1	20	6.7	def	15.1	12	−2.8	20
Alterman Foods	9.2	20	13.6	0.6	9.9	19	7.3	1.0	13.0	16	3.6	19
Borman's	8.8	21	12.1	1.1	8.0	21	6.3	0.5	10.3	21	D-P	
Thriftimart	6.7	22	17.2	0.3	14.0	22	5.5	1.7	5.1	25	35.4	3
J Weingarten	5.0	23	5.2	1.2	4.9	23	4.9	0.3	9.6	23	−5.0	21
Munford	3.0	24	2.3	1.9	3.8	24	4.4	0.3	11.9	18	−19.8	24
Shopwell	2.3	25	5.6	1.1	4.0	25	2.5	0.3	8.1	24	−13.6	22
Pueblo International	def	26	13.4	1.3	9.3	27	def	1.3	−3.8	27	P-D	25
Arden Group	def	27	5.9	1.2	5.0	26	1.3	0.4	−5.7	28	D-D	26
First Natl Supermkts	**		10.2	2.3	6.3		**	0.3	43.2††	1	−15.9††	23
Medians	**15.0**		**14.3**	**1.1**	**10.1**		**10.4**	**1.2**	**14.1**		**16.3**	
Industry Medians	**14.9**		**14.4**	**1.0**	**9.9**		**9.8**	**1.2**	**12.9**		**15.1**	
All-Industry Medians	**15.1**		**16.7**	**0.4**	**11.6**		**11.0**	**5.3**	**13.1**		**13.1**	

Note: Explanation of Yardstick calculations on page 51. †Four-year average. ††Three-year growth.
P-D Profit to Deficit. D-D Deficit to Deficit. D-P Deficit to Profit; not ranked. def Deficit. **Not available, not ranked.

among them—5-pound dry milk—didn't sell and that's been discontinued. Jewel currently has about 170 generic products on its shelves and will soon offer generic beer. But Walzer says the generic trend may be leveling off. "They've won a niche against high prices, but they don't seem to be expanding much. They've been on the market two years now, and people have had a chance to try them." Campbell, General Foods and other brand name makers claim that generic products aren't consistent in quality. Box stores could have their problems, too, because of their limited selection.

That may be why the chains continue to do what they've done for a decade—build bigger stores and add more high-margin nonfood items. "They offer everything from panty hose to contraceptives, including microwave ovens, lawn mowers and television sets," says Editor Jerry Whitman of trade paper *Non-Food Merchandising*. The most popular nonfood products are health and beauty aids—toothpaste, shampoo, deodorant—which account for over half the nonfood market.

"There's no particular direction in the industry," says Ted Wetterau, of Wetterau Inc., a leading food wholesaler distributing to Independent Grocers Alliance (IGA). "Everybody is trying different methods to fight for consumer dollars. That's why you see large supermarkets and generic products."

Even so, convenience stores are thriving despite their higher prices. "People like convenience, even in increased inflation," says John P. Thompson, chairman and CEO of Southland Corp., the largest operator of self-service convenience food stores, mainly the ubiquitous 7-Eleven Stores. "They appreciate our locations. In fact, the gasoline shortage may be helping us, too." About 18% of convenience store sales are cigarettes. All prices are higher, except milk and bread, which are fairly competitive with supermarkets. And, says Thompson, they are somewhat insulated from the recession. "That's one of our strong points. We're national. If we were on a regional or local basis we could be hurt more severely by a recession."

Meanwhile, the actual price of food at the farm is having less to do with the prices people pay. "We've reached the point where most supermarkets pay more for energy than rent," says *Progressive Grocer*'s Walzer. "With those two elements alone, to say nothing of insurance, replacement of equipment, labor and everything else, you have built-in cost factors so robust that in the absence of productivity gains to offset them, there's just no way that food prices can help from going up."

In a normal business, this kind of pressure that pushes up prices would mean higher profits, particularly since there is no competition from imports. But in retail food, the ultimate staple, the intense competition keeps merchants from cashing in—which, after all, is what competition is supposed to do. ■

Wholesalers

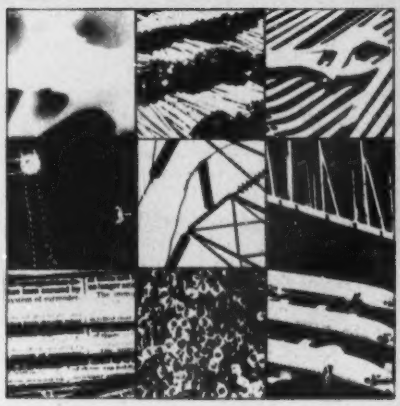
Yardsticks of Management Performance

	Profitability								Growth			
	Return on Equity				Return on Total Capital				Sales		Earnings Per Share	
Company	5-year average	5-year rank	latest 12 months	debt/ equity ratio	latest 12 months	5-year rank	5-year average	net profit margin	5-year average	5-year rank	5-year average	5-year rank
Food Distributors												
Farm House Foods	31.3%	1	28.9%	3.1	9.0%	5	14.3%	0.8%	22.8%	2	35.5%	1
Super Valu Stores	26.6	2	27.4	0.7	17.9	2	17.6	1.3	15.8	11	24.2	2
Golden State Foods	21.4	3	20.4	0.3	15.4	4	14.7	0.9	28.7	1	23.3	3
Malone & Hyde	20.0	4	18.2	0.4	14.2	1	17.6	1.3	17.7	6	16.6	5
Nash Finch	18.0	5	18.7	0.4	14.4	3	15.2	1.4	16.8	9	15.0	8
Fleming Companies	17.5	6	16.2	0.8	10.8	7	13.1	0.6	17.0	8	12.2	10
Sysco	17.0	7	17.8	0.4	14.0	6	13.2	1.7	20.1	5	16.2	6
Wetterau	17.0	7	15.9	0.3	12.5	8	13.0	1.1	13.9	12	10.3	11
Super Food Services	15.6	9	13.1	0.6	13.3	11	10.8	0.4	16.5	10	18.4	4
Cal-Maine Foods	14.9	10	15.9	1.2	7.8	13	7.9	0.8	22.8	2	15.6	7
Flickinger	14.7	11	14.4	0.4	12.3	9	12.6	0.7	17.3	7	14.4	9
Pacific Gamble Robinson	13.4	12	13.3	0.5	9.5	10	11.4	1.0	10.9	15	8.3	12
C&S Continental	10.3	13	11.4	0.7	8.2	14	7.7	1.1	20.2	4	3.5	14
Coca-Cola Bottling NY	10.2	14	10.0	0.8	6.4	12	8.1	2.7	12.8	13	0.5	15
Di Giorgio	7.8	15	11.1	0.9	8.0	15	6.1	1.0	12.2	14	6.1	13
Scot Lad Foods	def	16	12.4	1.5	7.2	16	1.2	0.4	6.5	16	P-D	16
Intl Foodservice	def†	17	def	2.8	def	17	def	def	5.8	17	P-D	16
Medians	**15.6**		**15.9**	**0.7**	**10.8**		**13.0**	**1.0**	**16.8**		**14.4**	
Other Wholesalers												
Lowe's Companies	20.7%	1	17.2%	0.5	12.8%	1	15.7%	2.8%	18.6%	1	15.3%	4
Foremost-McKesson	17.2	2	21.0	0.7	11.8	4	9.3	2.0	8.1	6	10.1	5
Universal Leaf	16.8	3	17.9	0.0	16.7	2	15.6	2.5	9.7	5	17.3	2
Amer Hospital Supply	14.4	4	15.5	0.3	12.5	3	12.3	5.4	16.5	2	15.5	3
Univar	13.0	5	16.1	1.2	10.1	5	8.9	1.6	14.4	3	8.6	6
Bergen Brunswig	8.2	6	16.4	0.5	12.8	6	7.1	1.3	11.8	4	43.9	1
Medians	**15.6**		**16.8**	**0.5**	**12.7**		**10.8**	**2.3**	**13.1**		**15.4**	
Industry Medians	**15.6**		**16.1**	**0.6**	**12.3**		**12.3**	**1.1**	**16.5**		**15.0**	
All-Industry Medians	**15.1**		**16.7**	**0.4**	**11.8**		**11.0**	**5.3**	**13.1**		**13.1**	

Note: Explanation of Yardstick calculations on page 51.

†Four-year average. P-D Profit to Deficit. def Deficit.

Remember asset redeployment, that fad of the 1960s? It's back in style again with a new twist—the pursuit of productivity. How Wall Street loves that!



Multicompanies

THE COMING RECESSION will be the acid test for the multicompanies. If their earnings don't fall too badly as we move into the uncertain 1980s, the conglomerates and multi-industry companies will indeed have proven there is strength in diversity. Goodness knows they have talked about it often enough.

In the late-1960s recession conglomerates in particular flunked badly. Then their excuse was that they were still in the early stages of creation. In the mid-1970s recession they scored a passing grade—barely. An overabundance of costly debt marred their figures. And this time? There's a widespread belief, both among the companies and on Wall Street, that conglomerates as a group will fare exceedingly well.

Thanks to a tightening of head-office controls, most are in fine shape, both in their divisional structures and on their balance sheets. "We've learned our lesson," says Whittaker Corp. President Joseph F. Alibrandi, who in nine years has shed dozens of previous acquisitions to make his company lean. "We will never go as deeply into debt for acquisitions as we did in the Sixties, first we'll generate the funds internally."

As Byrom sees it

The slump in productivity—the measure of output per man-hour, judged to be the best gauge of national economic efficiency—has emerged as one of the U.S. economy's most vexing ailments. Top executives at multi-industry companies polled by FORBES overwhelmingly confirmed what has become obvious, that productivity is their major worry. In the last decade, U.S. productivity gains have slowed to half the average annual post-World War II rate of 3.2%; lately we've seen quarter-to-quarter declines. More worrisome still is how poorly the U.S. is doing in relation to other countries, now ranking last in productivity growth among the industrial powers.

To find out how the U.S. allowed itself to be overtaken and what some of the consequences might be, FORBES talked to one of industry's most thoughtful and articulate executives, Fletcher L. Byrom, chairman of Koppers Corp. and also chairman of the Committee for Economic Development. "I don't want to be guilty of placing the onus on the individual worker," says Byrom, whose company has been strong in profitability and growth for a decade. "The problem of productivity isn't a function of how a person works, but of what kinds of tools and equipment we give him to use. Our ratio of investment to GNP is one of the worst."

If so, then others must be doing something the U.S. isn't. What is it?

Most have better attitudes on cash-flow generation. Almost all have less regulation, especially of economic concentration. When a company is marginal, they think of how to get rid of it. We hold an umbrella over the inefficient.

How might greater economic concentration help?

It's probably uneconomical today, with pollution controls, to build a coke oven battery with less than 1 million tons of capacity. Yet no one needs that much increase in tonnage. So unless you allow several firms to join together to use the production, that plant won't get built. Our antitrust laws don't recognize this fact.

What happened to the U.S. compared with other countries?

We took our ability to create wealth for granted. The only way to measure whether profits are reasonable is to relate them to the amount of money invested to generate them. Let's say Koppers made $60 million one year, and $75 million the next. Now the headlines will say, "Koppers makes 25% more profits" and somebody is going to say, "Here I get a 10% raise and those bastards are getting 25%." Now the newspaper doesn't say that we put an extra $145 million in the business and we damn well better be making $15 million more or why did we invest that money?

How have you made Koppers so highly profitable in an era of government regulation?

When you're successful, you don't know what you're doing right. It's when you have failures that you understand what you did wrong. What's helped us is we've gotten *out* of a lot of businesses. The truth is a lot of companies in various industries should not be operating.

What else would benefit the U.S.? The Japanese appear to have succeeded in forcing their pace of industrial rationalization.

That's true. They won't allow an inefficient company to have more money, so it gets taken over. Also, they allow companies to get together and decide which plants to keep running to get 100% utilization of the efficient plants.

Is that a lesson we've got to learn?

It's contrary to our whole view of the way we should work, but puts Japan into a favorable, almost subsidized position vis-à-vis the rest of the industrialized world.

Sounds gloomy for the 1980s. Do you see any improvement?

I'm not saying everything is bad here and everything is perfect elsewhere. But let me say this: I think the crisis is deepening. I think we are rapidly liquidating our capital base. I just hope the closer we come to deep, deep crisis, the more likely we will be to respond constructively.

Never is a long time, and who knows for sure what the 1980s will bring? But certainly most of the companies listed here are in their best shape in years. Look at some figures: Martin Marietta (chemicals, aluminum, aerospace, etc.) has pared its debt in five years from 33% of total capital to only 13%; Rockwell International (car parts, aerospace, electronics), from 37% to 25%; Borg-Warner (transportation equipment, air conditioning, resins), from 31% to 14%. Indeed, some are looking more like banks than industrial enterprises: Raytheon has over $725 million in cash items, Litton Industries—yes, Litton—$724 million and General Electric, an incredible $2.4 billion, or eight times the amount of spare funds it had going into the 1970s. In uncertain times, it seems, it's better to be a lender than a borrower.

Wall Street has already made up its mind that these companies will pass through this recession with flying colors. "The men running the multicompanies," says Merrill Lynch analyst Carol Neves, "are really portfolio managers who redeploy their assets into those markets offering the highest returns and the best growth opportunities." When, 18 months ago, Neves offered free drinks to other analysts joining what she called The Diversified Companies Analysts Group, only six showed up. Now the group boasts 65 members, its regular luncheon meetings in New York's Fraunces Tavern are packed and there's a waiting list of multicompanies eager to tell the analysts their story.

Small wonder. The response to a well-told tale can be electrifying. Teledyne is the dream example. Since 1974 its stock has risen from 11 to 154. But few have done this well. With few if any conglomerates boasting P/Es above 6, Wall Streeters say there's plenty of upward momentum still remaining.

Meanwhile, declining productivity has become a focal point both for management looking to boost earnings from presently invested assets and for producers of capital goods looking to sell more. The big boosts in output per worker were gleaned after World War II largely by increasing invested capital per production employee. Average capital investment per industrial worker runs something like $28,000 these days, compared with only $5,000 for every office worker. That's why people like Raymond H. Herzog, chairman of 3M, see a huge market opportunity in what has been a major problem for industry.

"There's a popular misconception that to get productivity you must whip people," says Herzog. Rather, the trick is to get them to work smarter—giving workers better tools so they can speed up the workflow. "One of the greatest areas for introducing automation, lowering costs and raising productivity is in the office," explains Herzog, who has had 3M launch a passel of new office products that range from high-speed facsimile transceivers to low-cost, energy-efficient copiers.

"What productivity does," says Boston Consulting Group President Bruce D. Henderson, "is to leverage up a day's work so it will be worth more to everybody." (A far cry from the leverage James Ling and the other early conglomerators had in mind.) In fact, according to Henderson, a key trend in the 1980s will be this increased emphasis on productivity in companies rounding out their lines of business through acquisitions, mainly small ones. "This should be enormously beneficial to our whole society," insists Henderson, because these companies will get bigger and better in their specialization and thus be able to compete with the Japanese and other international giants. Without such a trend, warns Koppers Chairman Fletcher L. Byrom, "the U.S. will end the 1980s in dire trouble" *(see box, p. 106)*.

Wall Street has decided these firms will pass through this recession with flying colors. "The men running the multicompanies," asserts Merrill Lynch's Neves, "are really portfolio managers who redeploy their assets into markets offering the highest returns."

What's clear is that fine-tuning through cash management appeals equally today to conglomerates and multi-industry companies. The latter, as Forbes defines them, are older companies—Olin, for example, was incorporated in 1892—whose earlier acquisitions were businesses close to their main endeavor, but who have long since extended their interests into more remote and unrelated fields. From its base of building coke ovens, Koppers is now into 135 different businesses, including forest products, piston rings and railroad ties.

A conglomerate may be more or less diverse than a multi-industry company—Dayco, which qualifies as a conglomerate, still gets 40% of its profits by sticking pretty close to making V-belts and hose clamps. But most are generally newer, more decentralized and, typically, run by their founding father or his immediate heirs. Conglomerates also often retain highly complex financial structures, a throwback to the "Chinese paper" deals of the early 1960s. Avco is by no means alone in having outstanding four issues of convertible debt and preferred stock that threaten to dilute earnings.

However, the lines separating these groups are blurring. The conglomerates are showing their age, and their founders increasingly are turning the baton over to younger professional managers. Late in 1979 Harold Geneen announced he would bow out—again—at International Telephone & Telegraph. City Investing CEO George T. Scharffenberger is 60 and eager to devote more time to his hobby, beekeeping, while Avco's James R. Kerr, now 62, is exaggerating but serious when he tells visitors, "I'm an old man and I'm tired."

What type of manager will succeed them? Less flamboyant and more conservative men, if the latest changing of the guard at Textron is any indication. Shortly before he became Textron's new CEO this month, Robert P. Straetz told FORBES, "Don't expect any surprises from me. That's not my style." Straetz is the fourth chief executive at Textron since Royal Little, the father of conglomerates, stepped down in 1960. A dogged, persevering type, Straetz spent 28 years with Homelite, Textron's chain saw maker, before moving into the execu-

Multicompanies—Conglomerates

Yardsticks of Management Performance

	Profitability								Growth			
	Return on Equity				Return on Total Capital				Sales		Earnings Per Share	
Company	5-year average	5-year rank	latest 12 months	debt/equity ratio	latest 12 months	5-year rank	5-year average	net profit margin	5-year average	5-year rank	5-year average	5-year rank
Teledyne	36.4%	1	43.2%	0.3	31.7%	1	22.5%	13.9%	10.4%	26	57.5%	2
Avco	23.0	2	21.5	3.0	6.9	30	7.8	6.2	5.5	38	D-P	
Lear Siegler	21.9	3	28.0	0.6	16.4	9	12.8	4.8	10.4	24	27.0	5
Raytheon	21.2	4	25.2	0.1	23.3	2	18.9	5.2	13.7	12	22.8	9
Scott & Fetzer	20.8	5	21.7	0.3	17.2	3	16.6	4.9	14.8	9	10.7	22
Northwest Industries	20.7	6	21.1	0.6	12.3	8	12.9	6.6	17.1	5	23.6	8
American Standard	20.5	7	26.5	0.4	18.4	6	14.1	5.3	4.5	40	D-P	
Gulf & Western Inds	20.3	8	19.2	1.1	9.3	21	9.3	4.3	16.2	6	22.3	11
Alco Standard	19.6	9	20.5	0.4	14.6	4	14.6	2.6	13.9	10	19.5	14
TRW	19.5	10	21.3	0.4	13.6	10	12.8	4.4	12.4	18	13.3	19
White Consolidated	19.0	11	17.4	0.8	10.2	13	10.6	3.1	13.4	13	20.8	12
Ogden	18.6	12	17.8	1.0	8.9	24	9.0	2.6	6.3	36	19.7	13
United Technologies	18.3	13	17.9	0.4	12.4	11	12.6	3.8	19.0	2	27.1	4
Dayco	17.5	14	19.7	1.3	9.7	29	8.1	3.0	9.6	28	14.1	18
Chromalloy American	17.4	15	21.1	0.9	10.4	20	9.3	3.6	15.4	8	9.5	25
Tenneco	17.0	16	16.5	0.8	8.8	22	9.2	5.2	17.1	4	10.3	24
National Service Inds	16.6	17	21.2	0.1	18.3	5	14.1	5.6	7.3	33	6.8	30
Bangor Punta	16.5	18	21.5	0.8	11.9	17	9.6	3.8	11.6	21	D-P	
Transamerica	16.3	19	19.7	0.8	12.1	14	10.2	5.9	10.9	22	24.2	7
Textron	16.2	20	16.8	0.3	13.8	7	12.9	5.0	10.4	24	9.5	26
Dart Industries	15.9	21	18.9	0.3	13.2	12	11.3	7.2	12.9	15	17.4	15
Rockwell Intl	14.0	22	20.3	0.3	14.8	15	10.0	4.2	13.8	11	7.5	29
Walter Kidde	13.9	23	16.4	0.6	9.6	23	9.1	3.7	12.4	17	24.4	6
W R Grace	13.5	24	13.3	0.5	9.7	18	9.5	3.9	10.2	27	12.3	20
City Investing	13.3	25	21.7	1.2	9.2	33	7.4	2.7	12.7	16	10.8	21
Signal Companies	13.1	26	20.2	0.5	13.7	19	9.4	4.9	15.9	7	22.7	10
AMF	12.8	27	13.4	0.5	9.6	25	8.9	3.7	7.2	34	−1.8	35
A-T-O	12.4	28	14.0	1.0	7.3	32	7.4	2.5	7.4	32	15.3	17
Sybron	12.2	29	10.1	0.5	7.9	16	9.6	3.3	9.3	29	7.5	28
Whittaker	12.2	30	22.4	0.8	14.3	26	8.4	4.2	3.5	41	74.8	1
SCM	11.3	31	12.8	0.6	9.4	27	8.2	2.9	8.7	31	31.6	3
Brunswick	10.6	32	11.3	0.5	8.0	28	8.2	3.9	10.7	23	2.4	31
Amfac	10.4	33	16.5	0.9	10.0	35	7.0	3.6	12.4	18	0.8	34
Intl Tel & Tel	10.1	34	7.3	0.5	6.0	31	7.8	2.4	9.3	29	1.9	32
Fuqua Industries	9.9	35	25.7	1.2	14.3	34	7.2	2.8	20.0	1	1.1	33
IC Industries	8.6	36	10.2	0.9	5.5	37	5.7	2.8	17.7	3	10.4	23
Zapata	8.4	37	9.0	1.9	5.5	39	5.1	4.1	13.4	14	8.4	27
U S Industries	7.0	38	10.4	0.2	8.6	36	6.4	4.0	−2.0	43	−8.3	36
LTV	6.1	39	27.8	2.9	6.9	41	3.9	1.5	6.2	37	D-P	
IU International	6.1	40	1.1	0.9	4.0	38	5.4	0.4	11.8	20	−9.3	37
Litton Industries	5.2	41	26.6	0.4	14.8	40	4.2	4.6	6.9	35	16.8	16
Allied Products	1.9	42	7.5	1.2	5.5	42	3.2	1.2	4.9	39	−22.2	38
Singer	def	43	def	0.7	def	44	def	def	−0.1	42	P-D	39
National Kinney	def	44	def	4.0	1.1	43	def	def	−3.6	44	P-D	39
Industry Medians	**14.0**		**19.1**	**0.7**	**9.9**		**9.2**	**3.9**	**10.8**		**11.8**	
All-Industry Medians	**15.1**		**18.7**	**0.4**	**11.8**		**11.0**	**5.3**	**13.1**		**13.1**	

Note: Explanation of Yardstick calculations on page 51.
P-D Profit to Deficit. D-P Deficit to Profit; not ranked. def Deficit.

tive suite. So don't look to Textron for any more big moves for the likes of Lockheed or Allied Chemical.

Teddy Kennedy may be surprised, but the era of large-scale mergers and acquisitions may already have slowed down. "For a while it looked as if there was a lot of action in mergers and acquisitions last year, particularly with the Belridge oil deal," recalls Willard T. Grimm, whose W.T. Grimm & Co. tracks these transactions. But as he added up the year's final tally, Grimm said 1979 would show the smallest number of takeovers in a decade. He predicts another upturn isn't likely until well into the 1980s. High money costs plus rumblings from Kennedy and the Justice Department are having a sobering effect. What big deals do occur, Grimm says, will likely involve the oil and other cash-rich, single-line companies adopting the safety-in-diversity strategy. The multicompanies likely will stick to what Grimm calls "selective consolidations." That is, they will round out existing operations by making fairly low-priced acquisitions rather than entering new areas. Explains Transamerica Chairman John R. Beckett, "When it's hard to see what the future holds, you protect your stockholders by diversifying into different but related businesses." For Transamerica that means more service businesses.

So Transamerica has added Interway Corp., the largest lessor of intermodal transportation equipment, to go alongside its movie and insurance businesses. American Standard recently added another small printing company, while Alco Standard has gotten deeper into selling drugs, paper and metals.

Probably no one is shuffling his pack of corporate subsidiaries harder these days than Chairman J. Peter Grace of W.R. Grace. After buying Daylin last spring to get deeper into pharmacies and do-it-yourself home centers, Grace is planning to break his corporation into five to seven separate but publicly held entities, on the theory that the sum of the parts may be worth more than the whole. For Grace, whose stock has traveled sideways for the past ten years, it may be the answer.

Will the multicompanies live up to Wall Street's expectations or will the pursuit of productivity turn out to be another corporate intellectual fad—to be in the 1980s what synergism was in the 1960s? Our bet is that a new era is opening up for the multicompanies and that indeed there will be safety in diversity. Textron's new boss, Bob Straetz, puts it as well as anyone when he says, "Many times we probably do manage this company too conservatively. But in uncertain times like these, maybe there's strength in that." The meaning: Don't look for the established conglomerates to be the swinging companies of the 1980s. ■

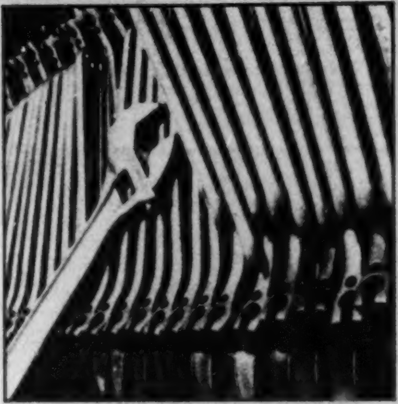
Multicompanies—Multi-Industry

Yardsticks of Management Performance

	Profitability								Growth			
	Return on Equity				Return on Total Capital				Sales		Earnings Per Share	
Company	5-year average	5-year rank	latest 12 months	debt/ equity ratio	latest 12 months	5-year rank	5-year average	net profit margin	5-year average	5-year rank	5-year average	5-year rank
Vulcan Materials	20.8%	1	21.5%	0.3	14.9%	3	14.4%	7.8%	12.2%	6	18.6%	6
Minnesota Mining & Mfg	20.7	2	24.5	0.1	20.9	1	17.7	12.1	13.1	4	11.6	15
General Electric	19.4	3	21.2	0.2	18.5	2	16.9	6.4	10.5	9	11.2	16
Koppers	17.6	4	17.5	0.4	12.2	4	12.7	5.1	15.6	2	20.2	5
American Brands	15.8	5	22.7	0.4	16.7	6	11.3	5.6	9.3	14	8.7	21
Martin Marietta	15.4	6	20.8	0.2	16.1	7	11.2	8.9	7.0	19	13.1	11
Bendix	14.8	7	17.5	0.4	13.9	5	11.9	4.2	11.5	7	16.2	7
Sperry	14.2	8	15.1	0.3	10.9	10	10.3	5.6	10.3	10	14.8	8
Union Carbide	14.0	9	15.2	0.4	10.7	12	10.2	6.2	14.0	3	9.1	19
FMC	13.9	10	14.8	0.4	10.7	13	9.9	4.6	10.1	11	14.7	9
National Distillers	13.1	11	14.0	0.4	10.8	11	10.2	6.3	6.9	20	13.6	10
General Tire & Rubber	12.6	12	10.1	0.3	8.2	15	9.4	4.2	11.0	8	10.0	18
Borg-Warner	12.5	13	15.6	0.2	13.5	8	11.0	5.8	8.9	17	13.0	13
PPG Industries	12.5	14	14.1	0.4	10.7	16	9.4	5.4	12.3	5	12.2	14
Allis-Chalmers	12.2	15	13.0	0.4	9.3	18	9.2	4.2	9.9	12	35.1	3
Esmark	12.1	16	12.2	0.6	7.5	20	8.8	1.4	9.1	16	9.0	20
Westinghouse Electric	11.9	17	12.9	0.2	11.2	14	9.6	4.4	4.5	23	13.1	12
Olin Corp	11.7	18	10.2	0.4	7.8	19	9.1	4.0	9.8	13	85.7	1
NL Industries	11.2	19	14.1	0.5	9.2	22	8.6	4.9	7.1	18	5.2	22
Alleghany Corp	10.8	20	16.6	0.2	16.3	9	10.4	6.9	34.5	1	10.8	17
Sperry & Hutchinson	10.1	21	12.1	0.2	10.8	17	9.3	3.9	4.0	24	–1.7	23
Dillingham	9.0	22	16.7	0.7	10.0	23	5.9	3.5	9.2	15	23.4	4
Curtiss-Wright	8.7	23	9.2	0.2	7.7	21	8.7	5.5	5.0	22	35.7	2
GAF	4.0	24	10.0	0.5	6.8	24	3.8	2.7	6.2	21	–10.9	24
Industry Medians	**12.6**		**15.0**	**0.4**	**10.8**		**10.1**	**5.3**	**9.9**		**13.1**	
All-Industry Medians	**15.1**		**16.7**	**0.4**	**11.8**		**11.0**	**5.3**	**13.1**		**15.1**	

Note: Explanation of Yardstick calculations on page 51.

At least one segment of this industry will buck the recession—thanks largely to Detroit's troubles.



Industrial equipment

Going into the inflated Eighties, the big clamor from the nation's corporate purchasing departments is for machine tools—the basic industrial equipment that cuts and shapes almost every conceivable metal part.

The days when most machine tool orders could be filled in a year or less are over. With a record $4.9 billion order backlog—exceeding industry capacity by 20%—deliveries on some machine tools are being delayed 18 months or more. "Machine tool builders are caught in the biggest upsurge of orders they've ever had and they haven't anticipated it," laments Allis-Chalmers' ($1.7 billion sales) Manager of Process Engineering George Ventura, a 32-year veteran of the industry.

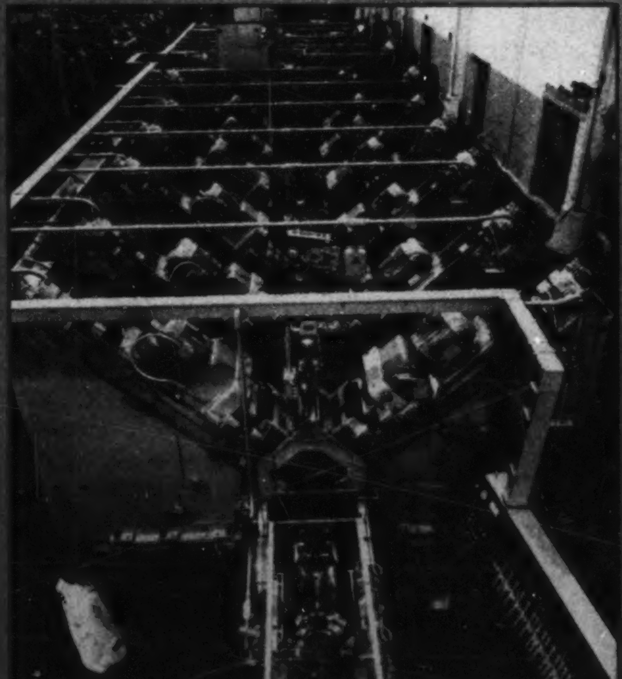
Ventura should know. He's been scrambling to get them. In June he set up a "machine tool hot line" comprised of machine tool builders he knows throughout the U.S. When a customer cancels a delivery, Ventura is one of the first to know. He figures he's saved up to 18 months on some deliveries.

Nearly 40% of the demand for machine tools in the early Eighties will come from the automotive and aerospace industries, most of it to meet governmental fuel efficiency and environmental standards. Recession or not, these two industries are committed to invest huge amounts of capital.

General Motors, for example, will spend more than $38 billion on downsizing and retooling through 1985. Several billion of that will go for machine tools, according to Frank Daley, GM's director of manufacturing development. Daley questions the ability of U.S. machine tool makers to supply manufacturers' needs in the Eighties. "There's some doubt as to whether there are enough facilities in the world to haul off and retool and reequip everything in sight," he says. "The load on the machine tool industry could be something that gets to be a pretty critical factor."

All this, of course, makes happy problems for machine tool builders such as Cincinnati Milacron Inc., Warner & Swasey Co. and Ex-Cell-O, who are starting to expand their aging facilities. "Over the past five years, machine tool builders have rationalized their product lines and cleaned up their internal operations," says Paine Webber Mitchell Hutchins analyst Eli

Passing the work from hand to hand



The demand for transfer lines—a series of complex machine tools connected end to end that automatically transfer work from one machining operation to another—is now expected to exceed the available supply well into the Eighties. For example, Michigan-headquartered Cross Co., a subsidiary of Cross & Trecker Corp., a leading U.S. producer of transfer lines that make items like auto engines, has an order backlog of some $300 million, with some deliveries more than two years out.

For this the transfer line manufacturers can thank the auto industry. Never mind that automobile sales are down, with the Detroit automakers offering big customer discounts in an effort to work down their swollen inventories. Recession or no, government mandates for fuel economy as well as environmental constraints are forcing auto producers into massive retooling in both their domestic and overseas facilities. Thus General Motors is aggressively downsizing its big cars into X- and J-bodies, for which customers are willing to pay extra dollars and wait long months for delivery. It is not a question of whether GM's competitors want to spend the hundreds of millions of dollars that retooling costs these days: Without it they would have no product and no future.

Much the same phenomenon can be seen across the machine tool industry. If good machinists are scarce and unwilling or unable to work faster, the obvious solution is faster and more efficient machines. Hence the brisk sales for advanced machine tools, especially numerically (computer) controlled machining centers. Says a pleased Cross & Trecker spokesman: "We're not selling for 1980 any more. We're selling for 1981, '82, and beyond."

Industrial Equipment

Yardsticks of Management Performance

	Profitability								Growth			
	Return on Equity				Return on Total Capital				Sales		Earnings Per Share	
Company	5-year average	5-year rank	latest 12 months	debt/equity ratio	latest 12 months	5-year rank	5-year average	net profit margin	5-year average	5-year rank	5-year average	5-year rank
Production Equipment												
Cooper Industries	25.0%	1	25.9%	0.1	26.4%	2	19.3%	8.2%	21.6%	1	27.3%	5
Briggs & Stratton	22.0	2	25.1	0.0	24.5	1	21.7	7.8	12.4	9	9.3	15
CBI Industries	20.3	3	17.6	0.0	14.5	3	16.6	9.7	8.6	16	13.7	11
Johnson Controls	19.7	4	17.0	0.4	12.3	4	16.3	4.9	18.3	2	22.0	7
Sundstrand	19.1	5	22.8	0.5	14.6	11	11.4	7.5	14.5	6	28.1	4
[illegible]	18.5	6	17.6	0.3	14.8	5	15.2	5.8	13.8	8	17.6	9
Parker-Hannifin	17.7	7	19.0	0.4	14.6	7	13.0	5.8	16.1	4	13.6	13
Eagle-Picher Inds	17.4	8	16.9	0.3	13.6	6	13.3	5.2	10.9	12	13.7	12
Wallace-Murray	16.6	9	21.5	0.6	15.0	8	12.1	6.0	10.8	14	21.4	8
Midland-Ross	15.1	10	18.4	0.3	13.9	12	11.3	5.5	11.2	11	23.8	6
Ingersoll-Rand	14.9	11	14.9	0.4	11.0	10	11.6	5.8	16.6	3	7.0	16
Norton	14.0	12	20.4	0.2	16.6	9	11.8	7.3	14.1	7	15.0	10
Cincinnati Milacron	14.0	13	24.9	0.5	16.5	14	9.7	7.0	11.5	10	31.0	2
H K Porter	13.1	14	16.8	0.6	11.8	13	10.2	3.4	10.6	15	42.5	1
Warner & Swasey	9.8	15	17.7	0.2	13.8	16	7.8	9.0	8.3	17	13.4	14
Chicago Pneumatic Tool	9.3	16	14.4	0.2	12.4	15	9.2	5.6	10.8	13	–0.1	17
Cross & Trecker	**		24.6	0.1	22.6		**	8.7	14.8‡‡	5	30.5‡‡	3
Medians	**17.0**		**18.4**	**0.3**	**14.8**		**12.0**	**6.0**	**12.4**		**17.6**	
Specialty Equipment & Materials												
Tyler	23.3%	1	21.7%	0.6	15.0%	7	15.6%	4.9%	16.0%	10	24.3%	7
Ametek	21.6	2	21.9	0.3	16.4	3	17.0	5.9	11.5	24	20.9	9
Foster Wheeler	21.3	3	25.5	0.3	20.6	2	17.4	2.9	18.0	8	25.6	5
Big Three Industries	18.9	4	17.1	0.3	13.1	9	14.9	12.5	27.5	2	26.1	4
VSI	18.5	5	26.9	0.3	22.4	8	15.4	6.9	14.7	14	16.5	16
Rexnord	18.4	6	17.1	0.3	13.5	11	14.2	5.6	14.1	15	19.7	10
Emhart	18.1	7	17.3	0.1	15.6	4	17.0	4.5	32.6	1	17.9	12
Waste Management	18.0	8	20.9	0.4	14.1	23	10.9	9.6	25.0	3	25.4	6
Tecumseh Products	17.7	9	21.5	0.0	21.5	1	17.7	6.5	6.9	30	10.5	23
Stanadyne	17.4	10	20.3	0.2	16.6	6	15.7	5.1	11.7	23	12.1	19
Illinois Tool Works	17.1	11	21.2	0.0	20.6	5	16.7	11.0	12.5	17	11.5	21
Combustion Engineering	16.6	12	18.6	0.2	11.2	20	11.7	3.5	12.3	20	13.8	18
Wheelabrator-Frye	16.4	13	17.5	0.3	11.9	15	12.7	4.6	21.6	6	37.7	1
Zurn Industries	15.7	14	17.8	0.4	12.8	24	10.8	4.6	7.4	28	21.3	8
Foxboro	15.7	15	15.4	0.1	14.0	10	14.3	8.1	16.6	9	29.4	2
Harris Corp	15.7	16	20.8	0.3	16.9	17	12.6	6.5	11.4	25	17.6	13
Dennison Manufacturing	15.3	17	17.6	0.2	14.3	16	12.7	5.7	13.2	16	13.8	17
General Signal	15.2	18	16.1	0.2	14.1	14	13.4	6.1	22.0	5	16.5	15
Signode	14.9	19	17.2	0.1	14.1	18	12.4	6.4	12.3	19	9.9	25
Hobart	14.4	20	14.7	0.3	12.0	22	11.2	4.6	11.8	22	6.8	27
Stewart-Warner	14.3	21	15.3	0.0	15.1	12	14.1	6.4	7.6	27	10.1	24
Timken	14.2	22	16.1	0.0	15.1	13	13.5	8.2	15.0	12	11.5	20
Peabody International	14.0	23	15.8	0.4	13.9	21	11.4	4.4	24.0	4	17.2	14
Ex-Cell-O	13.3	24	16.6	0.2	14.2	19	12.2	5.7	12.4	18	18.0	11
Fisher Scientific	13.1	25	14.3	0.6	9.9	25	10.1	3.4	15.0	13	26.6	3
Amerace	12.6	26	14.7	0.5	8.7	28	7.9	3.6	7.2	29	3.0	29
Avery International	11.6	27	16.1	0.6	11.4	27	8.9	4.1	16.0	11	7.7	26
Browning-Ferris Inds	11.5	28	15.8	0.5	10.1	29	7.4	6.3	10.6	26	4.7	28
Envirotech	10.0	29	4.2	0.2	4.2	26	9.0	1.0	19.5	7	11.4	22
General Refractories	1.1	30	7.0	0.8	5.8	30	2.7	1.4	12.1	21	–22.0	30
Medians	**15.7**		**17.2**	**0.3**	**14.1**		**12.7**	**5.7**	**13.7**		**16.5**	
Construction & Materials Handling												
Caterpillar Tractor	23.9%	1	22.6%	0.4	17.3%	1	17.3%	7.6%	17.2%	2	20.2%	2
Hyster	20.1	2	37.9	0.2	23.1	2	15.9	9.8	13.8	3	25.2	1
Clark Equipment	15.7	3	19.7	0.3	15.1	3	11.6	6.2	8.4	5	10.8	6
American Hoist & Derrick	15.0	4	14.3	0.6	9.6	4	9.8	4.1	12.2	4	19.6	3
Harnischfeger	12.5	5	def	0.7	2.8	5	9.0	def	19.9	1	13.9	4
Koehring	8.7	6	12.1	0.6	8.1	6	6.4	3.0	5.1	6	12.5	5
Medians	**15.4**		**17.0**	**0.5**	**12.4**		**10.7**	**5.2**	**13.0**		**16.8**	

Yardsticks of Management Performance

	Profitability								Growth			
	Return on Equity				Return on Total Capital				Sales		Earnings Per Share	
Company	5-year average	5-year rank	latest 12 months	debt/equity ratio	latest 12 months	5-year rank	5-year average	net profit margin	5-year average	5-year rank	5-year average	5-year rank
Mining & Drilling Equipment												
Baker International	25.3%	1	34.0%	0.6	16.2%	2	17.6%	8.9%	36.4%	1	32.5%	4
Smith International	23.8	2	18.5	0.2	16.4	1	16.9	10.4	26.5	3	35.5	2
Cameron Iron Works	23.7	3	20.5	0.3	14.5	6	14.7	11.1	22.0	4	32.6	3
Dresser Industries	21.4	4	18.3	0.4	14.3	3	16.0	6.6	21.8	5	24.4	6
Marathon Manufacturing	20.9	5	25.4	0.2	20.1	7	12.9	7.5	11.8	8	65.9	1
Bucyrus-Erie	19.3	6	18.6	0.3	14.8	5	15.1	11.0	20.9	6	22.4	7
Hughes Tool	17.6	7	19.5	0.2	15.0	4	15.7	10.6	34.1	2	28.5	5
Joy Manufacturing	16.2	8	13.6	0.2	11.3	8	12.9	6.4	15.7	7	20.3	8
Medians	**21.3**		**19.1**	**0.3**	**14.8**		**15.4**	**9.5**	**21.9**		**30.4**	
Rail Equipment												
Amsted Industries	21.0%	1	24.1%	0.0	13.5%	1	20.5%	7.4%	12.8%	4	29.0%	1
Trans Union	14.9	2	13.9	1.2	6.7	4	6.2	5.9	19.5	2	7.0	4
ACF Industries	13.7	3	15.2	0.7	7.6	3	7.5	5.0	12.2	3	11.3	3
Pullman	12.9	4	14.3	0.4	11.9	2	10.9	1.9	20.8	1	13.5	2
GATX	9.6	5	15.7	0.9	6.9	5	5.1	8.9	9.5	5	-2.4	5
Medians	**13.7**		**15.2**	**0.7**	**7.6**		**7.5**	**5.0**	**12.8**		**11.3**	
Industry Medians	**18.3**		**17.8**	**0.3**	**14.3**		**12.7**	**8.1**	**14.0**		**17.8**	
All-Industry Medians	**15.1**		**16.7**	**0.4**	**11.6**		**11.0**	**5.2**	**13.1**		**13.1**	

Note: Explanation of Yardstick calculations on page 51.
††Three-year growth. def Deficit. **Not available; not ranked.

Lustgarten. Cincinnati Milacron, the nation's largest maker of machine tools, is a good example. In 1980-81, the company will invest $49 million to expand its domestic machine tool operation, more than triple what it spent in 1976-77.

"There is great cause for optimism here in light of today's investment climate for machine tools," says Cincinnati Milacron Group Vice President Clifford Meyer, who predicts 1979 tool sales to be "at least 20%" over 1978's $634 million.

Machine tools are not alone. Long delivery lags will be characteristic of other key segments of the equipment industry as well. In an effort to cut costs, Ingersoll-Rand, for instance, has reduced its backlog of portable compressors, rock drills and other types of construction and mining equipment from four months' to two months' worth of inventory. Explains Ingersoll-Rand Chairman William L. Wearly: "Construction and mining equipment manufacturers like us and Caterpillar and International Harvester are going into 1980 with less inventory on our hands. It means customers are going to have to do more long-range planning to meet heavy equipment needs." Meaning: With money at 16%, don't count on us to keep our shelves filled for your convenience.

This is not to say there will be no slowdown in industrial equipment. There will be. You can't ignore that 16% money. Inventories of industrial lift trucks, a $1.6 billion business generally viewed as a reliable indicator of materials handling activity at factories and warehouses, reflect anticipated declines in 1980 in new construction and automotive sales. According to figures compiled by the Industrial Truck Association, lift truck shipments exceed incoming orders by 5% to 10%, indicating a slowdown in the year ahead for the $6 billion materials handling industry.

"Most likely, incoming orders for materials handling equipment throughout the industry will be off by about 10% to 15% in 1980, compared to 1979," says George Markell Jr., vice president and general manager of Clark Equipment Co.'s $700 million industrial truck division, the largest in the world. Clark's 100-day backlog represents just over $200 million worth of lift trucks. Markell says lead times on orders are running "a little longer" than the normal 90 days.

Commerce Department analyst John Lien thinks inflation and competitive pricing will eat materials handling manufacturers' 1979 profits. "As far as real growth goes, you're talking zilch," he says.

It's a mixed picture. No slowdown in machine tools but trouble ahead in materials handling. Plenty of real growth is expected in the $12 billion oil and gas drilling and exploration equipment industry, though. "Environmental and safety barriers are signaling an uncertain future for energy from coal and nuclear power, leaving oil and gas to carry the load through the early Eighties," according to the Commerce Department's Edward McDonald.

Outfits like Hughes Tool Co. look forward to sustained growth in rotary rig and seismic crew activities, which are approaching their highest levels in nearly 22 years. "The name of the game right now is to find new production," says William A. Kistler Jr., Hughes' executive vice president.

New exploration as well as secondary recovery projects have stimulated technological improvements in drill bits and abrasive chemicals manufactured by such equipment makers as Hughes and the Norton Co.

One dark cloud for oil and gas equipment manufacturers appears to be the one coming from Washington. Hughes Tool's Kistler believes the effect on capital spending of the so-called windfall profits tax "would definitely be counterproductive," especially for smaller independents, who account for 85% of the drilling activity in the U.S.

He adds: "Everything is very, very favorable for a good future in the oil and gas drilling and production industry. But it can all come out of the tree if they do something stupid in Washington." They usually do.

In contrast with oil-drilling equipment makers, mining equipment makers are far less ebullient about prospects for 1980. Robert Cizik, president of $1.4 billion Cooper Industries, is downright pessimistic: "What's the outlook for construction mining in 1980? Bad." He ought to know.

In April 1979 Cooper, whose primary business is energy services, acquired Gardner-Denver Co., a leading manufacturer of drilling equipment for the mining, construction and petroleum industries. In 1978 Gardner-Denver's rock drilling equipment, rotary rock drill and portable air compressor sales earned $51.4 million on revenues of $658 million. Though Cooper's been aggressively cutting costs in its mining division, Cizik expects downturns in the marketplace for such equipment. "We don't see any upturn in 1980 and the best we can expect is a plateau with 1979," he says.

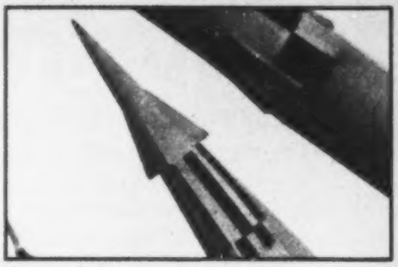
"There's some doubt whether there are enough facilities in the world to haul off and retool and reequip everything in sight"—Frank Daley, GM manufacturing development.

Fortunately, Cooper has less vulnerable divisions to carry it through the early Eighties. Sales of gas compressors to transport oil and gas through pipelines are expected to remain strong, and Cizik expects Cooper to maintain its strength in its aircraft services division, which overhauls and repairs engines for commercial and private aircraft. Cizik expects Cooper's 1979 earnings growth rate of 20% to repeat itself in 1980. But, like most other top executives, Cizik cautions, "If we're thrown into a deep recession, everything is up for grabs."

The length and severity of the "maybe" recession will have limited impact on the railroad industry. By August 1979 a bulging backlog of orders totaling 123,217 cars had stretched delivery dates out into 1981. Grain, coal and other bulk commodities will be important sources of revenues in 1980. More freight to haul and increased coal production to cope with the energy shortage lead some analysts to predict the industry will reach another peak by 1982-84.

Add it all up and what do you have? A situation where most of the answers will come from Washington. What will the Fed do? Congress? Will the nation's need for energy win out over the powerful environmental lobbies? Can the U.S. get its act together? If it can, the future is bright for industrial equipment. God knows the need is there. ■

Cleaning up the backlog will make 1980 a fat one for the industry. The long-term question is the ability of the airlines to finance their replacement planes.



Aerospace and defense

If 1979 was the year that the U.S. aerospace industry filled up its order books, then 1980 will be the year when it rolls up its sleeves and tries to deliver on all its promises. And the promises have been, in a word, monumental. Although some firms in the industry still have excess capacity, they won't for long. Almost across the board, major U.S. commercial, general aviation and military companies will be reporting record sales and earnings for 1979. What's more, whatever problems the airlines have, the plane builders had such a backlog of orders in 1979 that 1980 is in the bag.

The onslaught of order-taking has been led by the commercial aircraft manufacturers like Boeing, Lockheed and McDonnell Douglas. Boeing's backlog of over 500 aircraft, including its new 757 and 767, grew from $7.6 billion at the end of 1978 to over $16 billion a year later. Likewise Lockheed's backlog for its L-1011s has burgeoned to 59 aircraft, a 168% increase from its 22-plane backlog only two years ago.

McDonnell Douglas saw 26 new firm orders last year, bringing the total backlog to 173. Boeing Commercial Airplane Co. President E.H. (Tex) Boullioun sees the 1979 order-taking as a continuation of an aircraft market bonanza that will run straight through the 1980s and 1990s. "Our conservative plan is that over the next 6 or 7 years we'll produce at least the number of seats we produced in the last 20 years," he says, "which means that we ought to produce about 4,000 airplanes in the next 20 years. And if you assume the industry is going to grow, we could produce considerably more than that."

That optimism goes beyond the major commercial aircraft manufacturers. Companies like Beech and Gates Learjet that build business and commuter planes have similarly rosy prospects. C.W. Dieker, vice president-treasurer for Beech Aircraft, says that fiscal 1979 was a record year for sales and earnings. "That was our seventh straight record year and we're looking for a 15% to 17% increase in sales for 1980." If Dieker is right, Beech will have between $680 and $700 million in sales for 1980 and its eighth straight record year.

While the military and defense manufacturers aren't doing the booming weapons business they did during the Vietnam War, they aren't exactly crying either. Says John W. Dixon, chairman and president of electronic warfare systems purveyor E-Systems of Dallas, "It looks as though business in 1980 will be up as much as it was last year, which means another 13% increase." Sanford N. McDonnell, president and CEO of McDonnell Douglas Corp., looks for similar growth for 1980. And McDonnell's St. Louis neighbor, J.M. Beggs, an executive vice president at General Dynamics Corp., says that it was not a question of whether Congress was going to raise the defense budget for 1980 but of just how much. Defense business is so good that even shipyards are going to do well in 1980. Todd Shipyards, for instance, which posted a deficit as recently as 1977, is back in the black, and looks to stay there in 1980.

But the big problem facing the booming aerospace companies is whether they'll have the materials and the manpower to deliver the goods. James Lyons, corporate director of strategic

Wild blue yonder

Two or three times every month, Charlie Bock, a slender, balding, 54-year-old former B-52 pilot, gets into a Rockwell Aerocommander and is flown 60 miles from his home in Los Angeles to Edwards Air Force Base, just north of Palmdale, Calif. Bock knows his way around places like Edwards. He flew for the Air Force in World War II and in Korea. And when there weren't any more wars, he became an Air Force test pilot.

Bock retired as a colonel in 1973, but he's still flying. As chief test pilot for the North American Division of Rockwell International he gets to fly what may well be the hottest plane in the air, the B-1 bomber. The Carter Administration killed the $4 billion B-1 development program in 1977, but the plane isn't dead. Two prototypes are still in the air with Charlie at the controls. His sorties usually take him out along a flight test range that extends into Utah with a left turn at Provo.

Who pays for Charlie's flights? The U.S. government, with $50 million that Congress approved just to keep the plane off the scrap heap. With America's only other long-range bomber, the B-52, nearly 25 years old, even Congress realizes that sooner or later the B-1 technology—if not the plane itself—will be important to the U.S. nuclear strike force.

North American Rockwell hasn't given up on the B-1 either, even though it has sold off 1 million square feet of B-1 workspace to Northrop and returned the property of its original North American Aviation HQ—where it built the P-51 and the B-25—back to the City of Los Angeles. George Jeffs, president of Rockwell's Aerospace operations, now looks at the B-1 as a "core airplane." "The basics of the B-1 could be used in designing a new tanker or a 'penetrating' aircraft," he says. "A lot depends on what threats the government sees."

When the B-1 was canceled, Rockwell and its suppliers lost $15 billion in potential revenue. But even if that program is never revived, the time may not have been wasted. The technology Rockwell learned could put it near the head of the line for the next new military aircraft, even though that plane will almost certainly be a fighter, not a bomber.

planning for United Technologies Corp. in Hartford, Conn. says aircraft engine sales are so good that its Pratt & Whitney group has to scramble to beat strategic material and supplier shortages. "The year 1980 will be a good year but a tough one. It will prove we can manage in tough times."

The problem is that suppliers of critical items like bearings, castings and forgings still remember the recession of 1974-75 and are loath to increase capacity and risk being "caught out" this time. While the shortage of titanium has received a lot of press, manufacturers are more concerned about less glamorous commodities like skin-quality aluminum sheet that are in even tighter supply. Lead times on many of these items, which ran 12 to 20 months in the best of times, now have jumped up to 24 to 36 months or more.

Confronted with that sort of supply picture, Lyons predicts a continued high rate of materials cost inflation in 1980. The only thing about the 1980 materials supply picture he's certain of is its uncertainty. With no opportunity to stockpile materials, the aerospace firms are vulnerable to the smallest disruptions in supply. For example, a 21-week strike in 1979 at United Technologies' supplier Fafnir Bearing had an almost immediate impact on Pratt & Whitney's engine production. To hedge this supply problem, manufacturers have sought double and triple suppliers on key items and have tried to order as far ahead as possible. This "parts rush" has only aggravated the shortages at the close of 1979.

The manpower situation is little better. Roger Ulvestad, manager of market research for Lockheed in Burbank, is being only half facetious when he says, "Boeing is down here in L.A. dragging engineers off the streets." In nearby Palmdale, Calif., Lockheed has a pool of 4,000 potential production workers it can call on to help build the L-1011s, but the company has a major headache each time it has to add inexperienced workers to the production line. In fact Lockheed's flat earnings in 1979—$3 to $3.50 compared to 1978's $3.51—can in large part be attributed to the problems of inexperienced personnel.

These manpower problems are perhaps best outlined in Wichita, Kan., a bustling city of 393,000, with four major aircraft producers and dozens of parts and equipment suppliers. In 1971 Wichita led the nation in unemployment with a rate of 11.3%. At the end of 1979 that unemployment had dropped to 2.5%—virtually nil. One Wichita-based aircraft company, Gates Learjet, has had to expand its operations outside Kansas for lack of local manpower. And even for the companies that can find the people in Wichita there are problems. According to Gates Vice President James Greenwood, the tight labor market makes it very hard for companies to train the people they find. If the training session is too tough or the pay isn't quite high enough, the worker simply walks across the street to a competitor. "This is a very serious problem and we are concerned," says Greenwood. "Our major problem of the moment is in this area of production, just building the planes on schedule and getting them into the hands of customers."

Rohr Industries in Chula Vista, Calif., the leading manufacturer of jet engine pod assemblies and a defense contractor as well, is the envy of the industry. Rohr has been favored by a better labor climate and perhaps just a bit more prescience than its competitors. From a low point of 5,300 people in 1977, Rohr has managed to build its staff to over 9,000 and is currently on the upswing in productivity. As Rohr Chairman and CEO F.W. Garry looks out over his parking lots, jammed with cars for the first time since 1974, he says, "The whole industry is working damn close to capacity." It takes him a good half hour just to run through the list of the 30 programs that Rohr is currently working on. Rohr has added 300,000 square feet of floor space to handle the business it foresees, and overall Garry is optimistic that the industry will overcome its parts supply problems in this year. But he isn't banking on that alone. Rohr has daily meetings of its managers to anticipate further parts supply problems (Rohr needs 80,000 to 90,000 kinds of parts to get through a manufacturing day).

The 1980 scene is particularly frantic because both military and general aviation are competing with the booming commercial production for people and materials. While Grumman may have to turn more to commercial business in 1980 to make up for its flagging sales of F-14s to the Navy, other predominantly military manufacturers are having no problem filling schedules. The market is so hot that General Dynamics was able to waltz through the recent cancellation of a 55-plane F-16 contract with Iran without even slowing down. The planes that were going to Iran will now go to Israel. Jim Lyons of United Technologies says that the military business, which includes engines for Grumman's F-14s, McDonnell Douglas' F-15s, General Dynamics' F-16s, McDonnell Douglas' and Northrop's F-18s and Fairchild's A-10s and an assortment of helicopter, missile and surveillance aircraft, has brought the defense side of the aerospace business to a happy land of "reinforcing life cycles," he says. "As our F-100 engine deliveries peak, we're beginning to approach another peak on helicopter deliveries. So we're getting sustained growth as opposed to falling off a cliff in the mid-1980s." Even though the Carter Administration is still trying to make up its mind on controversial programs like the MX mobile missile system, Lyons predicts that defense spending in 1980 is likely to see a 3% real growth. And that's a lot when you consider there hasn't been any real growth in defense spending since the end of the Vietnam War.

The year 1980 looks like a big one for Rockwell International Aerospace as well, because Rockwell has tried to avoid the one market area that looks bleak, pleasure flying. Rockwell Aerospace Operations President George Jeffs says he eliminated some "financial brats" in 1979 by making costly design improvements on the Sabreliner business jet and by discontinuing its line of single-engine aircraft and twin-engine propellor aircraft.

Instead, Rockwell has contracted with Boeing to help build the 757 commercial jetliner and is developing its "super base line" projects in the space shuttle and global positioning satellite programs. At the end of 1979 Jeffs was still having performance problems with the shuttle engines being developed by his Rocketdyne division, but he remains confident that Rockwell is not far from producing shuttle engines that can make the required 55 flights.

With most of their business in the light aircraft sector, neither Cessna nor Piper can follow Rockwell and turn off pleasure aircraft production. Both have been hurt by the contracting market on one side and material shortages on the other. Both could turn out to be earnings casualties in 1980. Not so for Beech or Gates Learjet. They are into business more strongly than pleasure sales. Says Dieker of Beech, "The fun-flying portion of our general aviation business is only 5%. We're able to sell everything we can build."

Recession will eventually come to the aerospace industry but it won't be until at least 1981. And when it does come, it's likely to be due to a drop-off in commercial aircraft production. Currently Lockheed is predicting a recession in 1981 and 1982.

Airline income—usually the harbinger of approaching foul weather for aircraft sales—is, of course, already dropping. Income that ran to $1.1 billion in 1978 will be down to only $300 million this year.

But any pain from disappointing commercial orders will be alleviated by strong defense business. The lessons of Iran have not been lost on the U.S. In the last resort, the nation stands alone in the world against the burgeoning forces of chaos and totalitarianism. ■

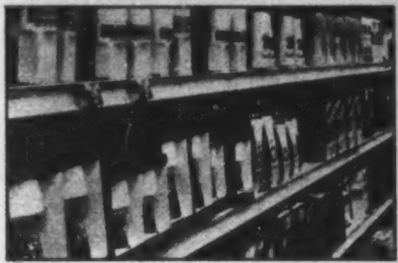
Aerospace & Defense

Yardsticks of Management Performance

	Profitability								Growth			
	Return on Equity				Return on Total Capital				Sales		Earnings Per Share	
Company	5-year average	5-year rank	latest 12 months	debt/equity ratio	latest 12 months	5-year rank	5-year average	net profit margin	5-year average	5-year rank	5-year average	5-year rank
Lockheed	57.6%	1	11.0%	1.1	7.9%	15	8.8%	0.9%	4.7%	16	D-P	
Beech Aircraft	25.9	2	25.4	0.2	22.6	1	20.7	6.8	18.2	4	38.1%	2
Gates Learjet	24.9	3	19.2	0.2	16.4	2	20.6	4.1	21.6	1	29.1	6
Northrop	24.0	4	26.7	0.1	23.5	3	19.9	5.7	17.0	5	31.5	4
E-Systems	23.2	5	16.1	0.3	14.1	4	19.3	4.1	13.1	9	29.2	5
Raytheon	21.2	6	25.2	0.1	23.3	5	18.9	5.2	13.7	8	22.8	10
Wyman-Gordon	20.2	7	14.0	0.2	11.4	7	16.0	5.1	16.6	6	31.5	3
Fairchild Industries	18.8	8	35.7	0.2	25.0	8	13.9	5.2	11.2	11	25.7	8
Boeing	18.6	9	31.8	0.1	27.3	6	16.1	6.3	8.7	14	42.3	1
United Technologies	18.3	10	17.9	0.4	12.4	10	12.6	3.8	19.0	2	27.1	7
Cessna Aircraft	17.5	11	19.2	0.2	16.0	9	13.7	4.9	18.2	3	15.9	11
Todd Shipyards	14.9	12	40.3	2.9	15.7	16	7.8	1.9	12.8	10	D-P	
Grumman	14.7	13	7.4	0.9	6.2	14	9.2	1.2	9.2	13	D-P	
General Dynamics	14.1	14	25.5	0.1	19.5	12	11.6	4.5	9.7	12	24.7	9
Rockwell Intl	14.0	15	20.3	0.3	14.8	13	10.0	4.2	13.8	7	7.5	12
McDonnell Douglas	13.0	16	15.1	0.1	15.1	11	12.4	3.7	8.6	15	5.3	13
Rohr Industries	def	17	32.8	1.2	14.0	17	0.6	3.8	1.7	17	P-D	14
Industry Medians	**18.6**		**20.3**	**0.2**	**15.7**		**13.7**	**4.2**	**13.1**		**26.4**	
All-Industry Medians	**18.1**		**18.7**	**0.4**	**11.8**		**11.0**	**5.3**	**13.1**		**13.1**	

Note: Explanation of Yardstick calculations on page 51.
P-D Profit to Deficit. D-P Deficit to Profit; not ranked. def Deficit.

Chased abroad by the FDA's delays and the cost of developing drugs, the drug companies are ready to come home—with blockbuster discoveries.



Personal products and health care

THE U.S. PHARMACEUTICAL INDUSTRY is finding a way out of the squeeze between the ultracautious regulation of new drugs and the enormous costs of developing them. It can cost $50 million or more to develop drugs like SmithKline's new ulcer treatment and Squibb's hypertension compounds. And while that money is pouring through the laboratories, there's always the chance that a competitor will come out with a similar product first. But even without that kind of problem, any number of others can crop up, from the need to redo costly tests to the appearance of monstrous side effects.

Escaping even all those unforeseen events, the drug manufacturer must still confront the regulatory demands of the Food & Drug Administration. That process can take another five years or so, at the end of which the drug may be rejected and sent back for testing.

Clearly the risks in the U.S. market are often too great even for the strongest companies in the industry. So they've been trying to dodge some of their FDA problems by marketing new products abroad while waiting out the FDA's approvals. Of the 11 major new drugs approved in the U.S. or Britain from 1960 through March 1979, for example, only one became available in the U.S. before it went on the market in the U.K. Take SmithKline's blockbuster, Tagamet, after Valium the most prescribed drug in the world. It was in use in Britain for over a year before it reached this country.

Even after a drug is accepted in the U.S., foreign earnings are crucial to offset the high development costs. Says Robert F. Dee, chief executive officer of $1.35 billion SmithKline, "Research today is so expensive that it's imperative that you spread the results around the world." And the ease of getting approval in other countries amplifies that need. So, it's no surprise that SmithKline has 51% of its profits abroad; Warner-Lambert has 43%, and A.H. Robbins, 49%.

To get into foreign markets companies are building research facilities and plants abroad. Merck, for instance, now has installations in England, Australia, Belgium and France. These plants are often the result of arm-twisting; build a plant, or you can't sell here. Says Dee, "All the major companies in the industry now have worldwide research capabilities."

Although these moves abroad have been crucial, and will continue to be, there are even bigger developments down the road for the industry. Listen to Goldman, Sachs analyst Frederic Greenberg: "It is our judgment that the industry is on the threshold of a golden age of research productivity and that one can see the signs now."

Greenberg is not alone in this view. According to John Horan, CEO of Merck, "The industry is on the verge of a major breakthrough in the biological sciences. All agree about this and are excited about it." Merck has introduced three new U.S. drugs in the last year and has several more due out soon. In addition, the company is working on an antibiotic that Merck's scientists bill as having "greater potency and a broader spectrum of activity than any other antibiotic"—assuming there are no major problems.

Of course, Merck and everyone else in the industry would love something like SmithKline's Tagamet, which is now bringing in about 30% of the company's revenues and maybe half its total earnings. And SmithKline is trying for another such superdrug with auranofin, an anti-arthritic that is already at the human testing stage.

Squibb, too, thinks it has such a prospect with captopril, an anti-high-blood-pressure drug. Captopril will be attacking a

Breaking the cigarette habit

Getting out of the cigarette business has been an ongoing story for the companies for years. For the most part, as you can see from the chart, they have been trying to diversify into other businesses to minimize the relative importance of cigarettes. Thus far, however, the results of their efforts have been mixed. It's obviously going to take some more doing for these outfits to change their cigarette image to some dandy new word like "multimarket company."

Company	Market share* 1979	Market share* 1978	% tobacco contributed to sales 1979	% tobacco contributed to sales 1978	% tobacco contributed to operating earnings 1979	% tobacco contributed to operating earnings 1978	Other major businesses
RJ Reynolds†	32.6%	32.9%	59.7%	67.6%	80.7%	0.9%	Sea-Land Inc. Energy Food products
Philip Morris‡	28.8	27.8	64.0	64.0	78.0	78.2	Miller Brewing Seven-Up
American Brands‡	11.6	11.7	62.8	62.8	48.9	66.0	Master Lock Food products Franklin Life Insurance
Loews (Lorillard)†	9.8	9.1	23.3	23.5	21.0	23.1	CNA Insurance Cos Hotels Theaters
Liggett‡	2.8	3.2	26.0	28.0	18.0	12.6	Liquor Pet food

*Figures for 1979 (estimates) and for 1978 from John C. Maxwell Jr., Lehman Brothers. †Twelve months ending Sept. 1979. ‡Forbes estimates 1979.

market with a worldwide potential of $8 billion to $10 billion and should be in overseas markets within a year or so.

Among other promising new drugs are those coming out of Bristol-Myers, the number one firm in cancer drugs. Although some of these may be as much as a decade away from markets, B-M claims significant progress with a platinum derivative for testicular tumors that is said to be as effective as today's treatments without the grotesque side effects they now sometimes cause.

Says Dr. James Tuholski, executive vice president of Bristol-Myers, of new antileukemia drugs, "Twenty-five years ago, when you saw a child with acute leukemia, you sent the child's parents to their spiritual advisers. Then the steroids and alkylating agents, and other combinations came into use, and did some good. But now we are really making progress. Of course, we won't know if these drugs are truly perfect cures for 25 years or so, when we see how the children are then."

It may be a risky proposition bringing out a new drug, but, like the kid selling lemonade for $100 a glass, all you have to do is sell one.

Recent developments in drug research seem to be having a cumulative, almost a critical-mass effect. Explains Squibb's chief executive officer, Richard Furlaud, "In the last 20 years, you had the same explosion of knowledge in the drug industry that you had in physics in the 1930s." He goes on, closing his eyes to relish the thought: "It is certain that out of this incredible amount of knowledge there will be a new world of precisely targeted drugs acting at a cellular level."

Drug companies are doing their research in a new way. They look at the disease, analyze the steps that lead to it, and then try to find a chemical compound which will react with, and stop, one of those steps. It's a totally planned process. And they're dealing with the disease—not its symptoms.

Furlaud reflects on the old system: "Certain chemical compounds are known to have physiological effects. If you tried out thousands of compounds on thousands and thousands of mice and rabbits and dogs—well, not dogs, they're too expensive—eventually you came up with something."

Most of these new blockbusters are the result of new technologies, including information processing, but, says Dr. W. Clarke Wescoe, chief executive of Sterling, "I don't think you will ever see a day when the computer will take over entirely. Discoveries will still take place through serendipity."

That's certainly true in Wescoe's company. Sterling's most exciting achievement in recent years has been with a heart drug—amrinone—that may finally replace digitalis, after 200 years. Here's how it happened: Amrinone was being tested as a respiratory drug. Wescoe: "And it did have effects on the respiratory system, but the scientists noted it had more pronounced effects on the cardiovascular area. And it's now being tested exclusively as a cardiovascular drug."

There's yet another pressure on some of the drug companies to come up with new discoveries. Many patents from the last wave of discovery, the early 1960s, are about to expire. New Jersey-based Schering-Plough faces the prospect of seeing its standby, Garamycin, go into the public domain. That one drug accounts for about 40% of the company's earnings, and although Schering is working on patentable improved versions, it still must confront the prospect of deep inroads into a market that accounts for almost half its earnings.

Virtually none of these companies, of course, is exclusively in ethical drugs. Warner-Lambert has 21% of its sales in gums, mints and specialty foods; Sterling has 26% in household products and toiletries; and Bristol-Myers racks up a full 45%

Personal Products

Yardsticks of Management Performance

	Profitability								Growth			
	Return on Equity				Return on Total Capital				Sales		Earnings Per Share	
Company	5-year average	5-year rank	latest 12 months	debt/equity ratio	latest 12 months	5-year rank	5-year average	net profit margin	5-year average	5-year rank	5-year average	5-year rank
Tobacco												
Philip Morris	22.7%	1	23.1%	1.0	12.5%	2	13.5%	6.2%	20.1%	2	18.9%	2
Loews	22.4	2	22.3	0.7	11.8	4	9.6	4.3	33.3	1	24.3	1
R J Reynolds Inds	20.5	3	20.2	0.3	15.1	1	14.8	6.6	15.0	3	9.1	3
American Brands	15.8	4	22.7	0.4	16.7	3	11.3	5.6	9.3	4	8.7	4
Liggett Group	10.3	5	15.3	0.5	11.3	5	8.3	5.4	4.6	6	3.3	5
Culbro	3.1	6	def	1.2	def	6	4.4	def	7.9	5	–15.2	6
Medians	**18.2**		**21.3**	**0.6**	**12.2**		**10.5**	**5.5**	**12.2**		**8.9**	
Toiletries & Cosmetics												
Avon Products	32.4%	1	32.9%	0.0	32.7%	1	31.4%	10.8%	11.5%	8	10.7%	7
Intl Flavors & Fragrances	22.5	2	24.2	0.0	22.9	2	21.0	15.4	16.1	4	14.7	3
Revlon	21.8	3	22.0	0.3	17.6	3	16.7	8.9	20.8	1	17.4	2
Chesebrough-Pond's	19.6	4	20.5	0.3	15.8	4	15.9	7.0	17.4	2	11.7	4
Kimberly-Clark	19.3	5	32.0	0.2	22.9	7	14.2	14.7	10.2	9	26.1	1
Procter & Gamble	18.9	6	19.4	0.2	15.3	5	14.9	6.1	15.3	5	11.2	5
Gillette	17.4	7	18.8	0.4	13.8	8	12.8	5.8	12.1	6	2.9	9
Colgate-Palmolive	16.7	8	15.9	0.3	12.6	6	14.4	3.9	16.1	3	10.8	6
American Cyanamid	13.5	9	13.3	0.4	9.8	9	10.5	5.5	11.7	7	5.9	8
Medians	**19.3**		**20.5**	**0.3**	**15.8**		**14.9**	**7.0**	**15.3**		**11.2**	
Industry Medians	**19.3**		**20.5**	**0.3**	**15.1**		**14.2**	**6.1**	**15.0**		**10.8**	
All-Industry Medians	**16.1**		**16.7**	**0.4**	**11.8**		**11.0**	**5.3**	**13.1**		**13.1**	

Note: Explanation of Yardstick calculations on page 51.
def Deficit.

in toiletries, beauty aids and household products. To the extent they are in nonprescription consumer products, they are vulnerable to slowdowns in the economy.

Through a curious twist, hospital management companies and their suppliers may actually benefit from a recession. Between 1973 and 1975, earnings of the major hospital management companies like Humana and Hospital Corp. of America did very well. National Medical Enterprises, for example, saw earnings rise by 55% in that tough period. The tendency appears to be that, as a recession widens, one of the things people fear most about a possible layoff is the prospect of losing their medical benefits. So, the worker who has been walking around with a hernia for five years checks into the hospital right away before his job and his free operation expire. The result is that all kinds of elective surgery are performed at these times. What's more, most health care plans run at least 30 days after a layoff, a perfect time to check into a hospital.

But what about the specter of a national health plan? That probably won't be much trouble and may even help. Says one analyst with a major brokerage firm, who did not want to be identified: "I can't conceive of a program that won't benefit these companies. Once the funding is there, there'll be more frequent treatment. Let's say the government says it will give $100 per visit, and the doctor wants $150. They'll get around it. They'll simply ask you to come back twice. These doctors have spent 12 years in school and they're not about to drive around in a 1961 Volkswagen."

Robert Bruce, the highly respected analyst at Paine Webber, gives the example of a kidney dialysis program that the government expected to cost $1 billion at its peak and will wind up costing closer to $6 billion. Bruce: "Once the funding became available, the tendency was to have the patients dialyzed who weren't able to afford the hospital treatment before. And with elderly patients who could live six months more by being dialyzed, the doctors figured it was a good deal. Plus there were new products entering the market. And the government couldn't say no. Even if the government thinks, 'What do we gain in six months?' the people want to live six months more."

As long as life and death are life-and-death matters, money will be made by those who offer the means to extend life. ■

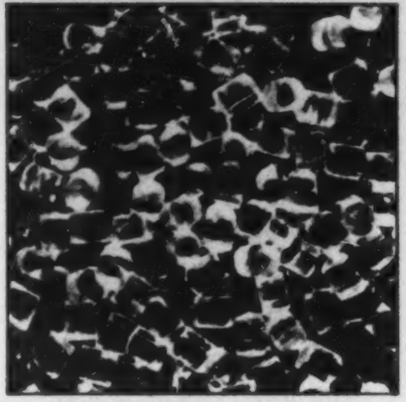
Health Care

Yardsticks of Management Performance

	Profitability								**Growth**			
	Return on Equity				Return on Total Capital				Sales		Earnings Per Share	
Company	5-year average	5-year rank	latest 12 months	debt/ equity ratio	latest 12 months	5-year rank	5-year average	net profit margin	5-year average	5-year rank	5-year average	5-year rank
Ethical Drugs												
SmithKline Corp	29.8%	1	40.0%	0.2	34.0%	1	24.5%	17.0%	16.4%	1	19.1%	1
Merck	26.2	2	25.7	0.1	21.7	3	22.8	16.3	12.9	7	13.0	4
Schering-Plough	25.0	3	23.3	0.0	23.0	1	24.5	16.2	13.7	4	15.8	2
Eli Lilly	21.6	4	23.4	0.0	22.2	4	20.9	15.1	13.9	3	12.1	5
Upjohn	19.8	5	22.6	0.3	16.5	5	15.1	9.9	15.9	2	14.1	3
Pfizer	17.7	6	18.3	0.4	13.9	6	13.4	8.9	13.0	5	10.8	6
Squibb	15.8	7	14.0	0.4	10.8	8	12.0	7.0	10.5	8	8.7	7
A H Robins	14.9	8	11.7	0.1	7.6	7	12.6	7.3	13.0	6	5.0	8
Medians	**20.7**		**23.0**	**0.2**	**19.1**		**18.0**	**12.5**	**13.4**		**12.6**	
Proprietary Drugs												
American Home Products	31.9%	1	32.7%	0.0	32.1%	1	31.1%	11.6%	11.1%	4	12.3%	2
Bristol-Myers	22.3	2	21.7	0.1	20.0	2	20.2	8.4	12.4	2	14.0	1
Sterling Drug	16.2	3	16.7	0.1	14.9	3	15.0	7.5	10.4	5	5.2	5
Warner-Lambert	15.7	4	13.3	0.4	9.2	5	12.5	5.1	11.4	3	6.7	4
Richardson-Merrell	14.8	5	16.6	0.2	15.1	4	13.4	7.3	13.2	1	9.8	3
Morton-Norwich	10.0	6	16.3	0.3	12.1	6	8.0	6.4	10.2	6	0.5	6
Medians	**16.0**		**16.7**	**0.2**	**15.0**		**14.2**	**7.4**	**11.3**		**8.3**	
Health Care Products & Services												
Abbott Laboratories	21.2%	1	22.0%	0.3	17.5%	2	15.9%	10.6%	17.5%	5	22.4%	5
Humana	19.5	2	34.5	2.3	9.1	9	8.1	4.4	37.5	1	27.3	1
Johnson & Johnson	19.0	3	19.9	0.0	19.4	1	18.4	8.5	16.8	7	14.7	8
Bausch & Lomb	18.7	4	22.1	0.3	17.6	3	14.2	7.7	14.8	10	24.4	2
Hospital Corp of America	18.4	5	19.3	1.3	9.0	8	8.6	6.1	29.0	2	23.8	3
Baxter Travenol Labs	17.0	6	18.3	0.3	13.8	4	12.5	9.8	22.6	4	22.9	4
Becton, Dickinson	14.7	7	14.6	0.2	13.2	6	12.1	7.6	15.1	9	13.8	9
American Hospital Supply	14.4	8	15.5	0.3	12.5	5	12.3	5.4	16.5	8	15.5	7
G D Searle	14.1	9	19.3	0.8	13.6	7	10.8	8.8	17.4	6	−0.6	10
American Medical Intl	13.4	10	18.8	1.1	11.0	10	7.6	5.6	23.3	3	15.6	6
Medians	**17.7**		**19.3**	**0.3**	**13.4**		**12.2**	**7.7**	**17.5**		**19.0**	
Industry Medians	**18.1**		**19.3**	**0.3**	**14.4**		**13.4**	**8.1**	**14.4**		**13.9**	
All-Industry Medians	**15.1**		**16.7**	**0.4**	**11.5**		**11.0**	**5.3**	**13.1**		**13.1**	

Note: Explanation of Yardstick calculations on page 51.

The U.S. chemical industry swept all before it in international markets last year. The victory was no fluke. And the victors are gathering the spoils.



Chemicals

Chairman Irving Shapiro of E.I. Du Pont contemplates, with his customary amused smile, the coming "high technology shoot-out in the marketplace" of international chemicals and proclaims: "We are competitive in the world." He refers to investments in the U.S. by major foreign producers—Germany's Hoechst, Bayer and BASF and Britain's Imperial Chemical Industries—and to the remarkable current success of the U.S. chemical industry abroad, whether served by exports or by foreign plants of U.S. companies.

Like all the other companies in this industry group, Du Pont had an excellent year overseas (foreign sales up 34% in the first nine months, foreign earnings doubled from 1978) and looks for more of the same in 1980. "It will take a couple of years before the Europeans get all their plants operating here," Shapiro explains. Meanwhile, "We've gone abroad, we've built plants, our infrastructure is there and yielding good results."

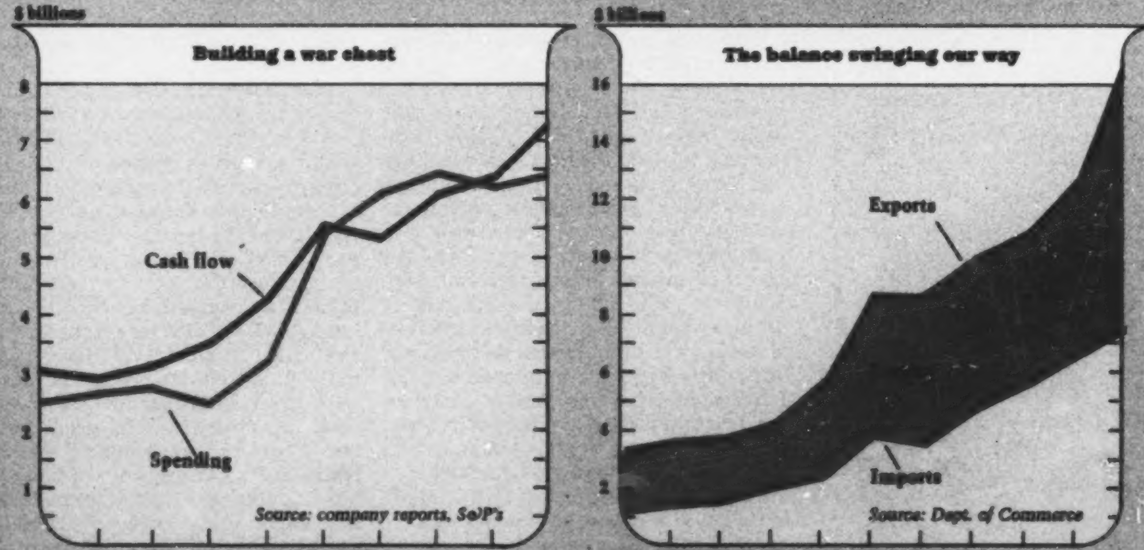
As for those relentless exporters, the Japanese, U.S. chemical people note a retreat from the arena by the Japanese chemical industry. High energy costs are forcing Japan to cut back on exports of basic commodity chemicals, such as styrene, polyethylene and fiber raw materials. Shapiro notes further that the chemical industry now has a lower priority than electronics (Forbes, *Nov. 26, 1979*) for Japan's government-directed capital. "Capital availability is hampering our Japanese competitors," he says with the amused smile. "I wish them well."

U.S. chemical exports rose 36% last year, to $17 billion, and since imports grew less rapidly, the trade surplus in chemicals climbed 59%, to $9.8 billion, from a $6.1 billion surplus in 1978 that was itself a record. This basic industry became one of the U.S.' strongest exporters, boosting chemical company earnings at home and sending European producers scurrying to Common Market headquarters in Brussels seeking protection from low-priced U.S. goods.

The Europeans don't object to the weak dollar, an important contributor to the U.S.' success. Their complaint is against Washington's control of oil prices which, the Europeans say, gives American producers an unfair advantage in raw material costs. The energy advantage is magnified by the fact that U.S.

The international battle lines are drawn

Whatever harsh words are said these days about U.S. industry's lacking the will to invest and to win markets for exports, they don't apply to the chemical industry. In the years 1974 to 1978 the U.S. chemical industry invested 25% more of its cash flow than it did in the years 1969 to 1973. The capacity is now in place, and world markets are rising to absorb it, as shown by the 36% leap in chemical exports in 1979. Meanwhile the chemical industries of Europe and Japan seem at bay, having held back on investment since the oil price rise of 1973.



Source: company reports, S&P's

Source: Dept. of Commerce

producers use natural gas liquids for an important part of their basic feedstocks while the Europeans and Japanese use naphtha, a petroleum derivative similar chemically to gasoline. Naphtha's price skyrocketed in world markets in 1979, so a U.S. chemical producer was paying $4 for an amount of feedstock costing his foreign competitor close to $9.

If those were the only trumps the U.S. chemical industry held, Shapiro and the other U.S. chemical men would hardly be as confident of their hand as they are. There is more to it. The story FORBES heard repeatedly is that U.S. companies have made the capital investments and the commitment to exports. Now, as markets in developing Asia and Latin America demand more chemicals for their own industrialization, the U.S. has the capacity to serve them.

Paul F. Oreffice, president and CEO of Dow Chemical Co., is firm in his conviction that it is capital spending, not naphtha prices, that has given his company its biggest advantage over foreigners (FORBES, *Nov. 26, 1979*). "Dow has been spending over $1 billion a year for the last four years," says Oreffice. "The German companies, which are much larger than we, have been spending only about $800 million a year. They have added very little capacity."

Sure enough, capital spending as a percentage of cash flow has gone up markedly for all the companies listed here since the great oil price rise of 1973 *(see chart, p. 137)*. This is just the period in which the Europeans and Japanese—fearing that petrochemical plants would be built in the Middle East—have held back on expansion. Now, with demand accelerating in the major developing nations and supply and demand coming into balance for many chemicals, the Americans have the goods.

This firm export market for U.S. production has been made even firmer by the absence of the Japanese. "The Japanese are using their oil for other purposes," says Richard R.P. Morrow, who handles investor relations for Hercules Inc. "And it has opened up opportunities for us." Hercules is a major provider of polypropylene, the basis for a variety of plastics. The company just put new capacity on stream to meet demand. Two years ago, anticipating the markets, it set up a worldwide distribution network; it opened plants in Taiwan and Belgium and is now exporting into Brazil and the Philippines, building market presence before it builds plants in those countries.

It is this kind of preparation by the U.S. companies that puts their energy advantage in perspective. Says Ira B. Wheeler, vice president-planning of Celanese Corp., "The dollar is the crucial difference." But not merely the dollar's cheapness in 1979. "It isn't as if we discovered a vein," says Wheeler. "We've had a commitment to exports for the last eight years, ever since Nixon devalued the dollar. From Aug. 18, 1971 some part of our plant expansions have been geared to export." Celanese is a major producer of fibers. Wheeler notes that eight years ago Japan was "fierce in fibers markets." But now, he says, "We don't run up against them."

Bruce Ambler, vice president-international of Allentown, Pa.-based Air Products & Chemicals Inc., says his company went abroad five years ago with emulsion products—materials that make adhesives stick. Now sales volume allows Air Products to put a plant overseas.

Practically all chemical products of U.S. manufacturers are benefiting from growing export markets. Deneb Teleki, director of market research for International Minerals & Chemical Corp., says demand for phosphate fertilizer products is growing 5% a year worldwide (2% to 3% in the U.S.), but 10% to 15% a year in the developing world. IMC will spend $170 million to increase its capacity for phosphate fertilizer by 50%, making it second only to the Russian government in production.

> ***"It will take a couple years before Europeans get their plants operating here. We've gone abroad, built plants. Our infrastructure is there and yielding good results."***

Teleki and others in the U.S. industry cite some of the continuing advantages the U.S. has in chemicals: a large home market allowing plants to be built with economies of scale, a large supply of the technical manpower and relative economic and political safety for the big investments needed in chemicals.

The confidence, not to say euphoria, among U.S. chemical men is fairly general. Even those who favor a cautious stance are firmly optimistic. Lawrence Skatoff, general manager for Asia at Monsanto Co., keeps a healthy skepticism about the Japanese backpedaling in export markets. "It may simply be a yen issue," says Skatoff. "It's difficult for them to be competitive when the yen is strong. Now, with the yen falling, it looks like the pendulum may swing the other way." He concedes the Japanese seem to have let their market share slip in some commodity chemicals, declining to import high-priced oil merely to produce low-margin commodities. But he suspects they'll stay in competition in the higher-value specialty chemicals. Still, says Skatoff of both Monsanto and the U.S. chemical industry, "In proprietary products, in specialties and the commodities, we'll be strong."

It is this strong foreign earnings outlook that makes the chemical people look with equanimity on the anticipated softness in the U.S. market this year. Even so, few are as confident as Oreffice of Dow, who calls the years 1981 to 1985 a "golden era" for his company.

Is there no voice of dissent in this sun-filled chorus? Yes, there is one—security analyst Aris P. Christodoulou of Blyth Eastman Dillon, who published a report last fall entitled: "The Export Cushion in Recession—Is It Wishful Thinking?" Christodoulou notes that U.S. chemical makers drove all before them in export markets in 1974 and 1975, the years immediately following the oil price rise, but that the foreigners recovered and U.S. export earnings went down. More immediately, Christodoulou, following Blyth's economists, predicts a severe U.S. recession and a simultaneous downturn in Europe and forecasts a bad year ahead for the chemical industry.

But Christodoulou's is a minority view. Most analysts, like Rotan Mosle's Harry Flavin and First Boston's Anantha K.S. Raman, believe the industry, aided by exports, should ride through a mild recession. Raman, who with his team at First Boston publishes reference manuals on the industry, thinks the basic point about U.S. chemicals is that the industry has just finished a period of high capital spending. Over the next few years, he believes, most capital budgets will be about level (Du Pont is an exception), and that is the time when the industry reaps the earnings rewards of the new capacity and is at the same time most competitive.

To sum up, Dow's Paul Oreffice says it simply and well: "The U.S. chemical industry has been competitive. It will be more so in future." ■

Chemicals

Yardsticks of Management Performance

	Profitability								Growth			
	Return on Equity				Return on Total Capital				Sales		Earnings Per Share	
Company	5-year average	5-year rank	latest 12 months	debt/ equity ratio	latest 12 months	5-year rank	5-year average	net profit margin	5-year average	5-year rank	5-year average	5-year rank
Diversified Chemicals												
Diamond Shamrock	23.5%	1	15.9%	0.7	10.6%	3	13.5%	7.5%	18.4%	2	22.8%	1
Dow Chemical	23.1	2	21.4	0.8	12.4	2	14.2	8.4	17.6	3	18.8	3
Stauffer Chemical	20.3	3	17.0	0.5	11.9	1	14.3	8.8	15.2	4	20.8	2
Monsanto	15.1	4	14.1	0.4	9.9	5	11.2	6.1	13.6	7	13.0	5
E I du Pont	14.8	5	20.8	0.2	16.0	4	11.3	7.9	12.5	8	7.5	8
Union Carbide	14.0	6	15.2	0.4	10.7	7	10.2	6.2	14.0	5	9.1	7
W R Grace	13.5	7	13.3	0.5	9.7	8	9.5	3.9	10.2	13	12.3	6
American Cyanamid	13.5	8	13.3	0.4	9.8	6	10.5	5.5	11.7	10	5.9	9
Hercules	12.3	9	20.0	0.3	15.3	9	9.4	7.6	11.3	11	4.3	10
Celanese	11.4	10	16.9	0.5	11.0	10	7.5	4.9	10.7	12	13.2	4
Allied Chemical	8.8	11	def	0.7	0.2	12	6.4	def	13.6	6	2.8	12
Reichhold Chemicals	8.8	12	4.4	0.4	4.6	11	7.4	1.2	19.0	1	3.2	11
Rohm & Haas	7.5	13	16.2	0.4	12.3	13	6.3	6.0	12.1	9	–3.7	13
Medians	**13.5**		**15.9**	**0.4**	**10.7**		**10.2**	**6.1**	**13.6**		**9.1**	
Specialists												
Intl Minerals & Chem	28.1%	1	17.[illegible]%	0.4	12.1%	3	17.1%	8.4%	18.3%	3	38.8%	1
Lubrizol	24.9	2	27.1	0.0	25.3	2	23.4	12.2	16.2	7	15.5	10
Nalco Chemical	24.9	3	27.7	0.0	26.8	1	23.9	11.2	15.9	9	17.1	8
Air Prods & Chems	19.9	4	20.0	0.4	12.4	7	11.7	7.9	20.3	2	25.3	2
Mallinckrodt	19.7	5	22.3	0.2	16.5	4	14.4	10.5	17.7	4	20.9	5
Dexter	18.5	6	20.1	0.3	14.6	5	14.1	5.6	27.8	1	22.3	4
Ethyl	18.4	7	17.9	0.4	11.8	12	11.0	6.0	13.2	13	12.2	13
Thiokol	17.4	8	21.6	0.1	15.2	6	13.5	6.1	12.9	14	18.3	6
Sun Chemical	17.3	9	25.6	1.0	14.1	11	11.1	5.2	14.1	12	22.4	3
Witco Chemical	16.8	10	21.7	0.3	14.9	10	11.2	4.7	14.6	10	12.4	12
Liquid Air of No America	15.8	11	12.0	0.6	9.9	8	11.6	6.1	16.1	8	16.4	9
Pennwalt	14.1	12	14.5	0.5	10.4	13	10.1	4.7	12.2	15	18.0	7
Freeport Minerals	13.6	13	28.0	0.1	22.2	9	11.4	19.3	14.4	11	7.3	14
Cabot	12.4	14	21.6	0.6	13.6	14	9.0	6.3	17.0	5	12.4	11
Williams Companies	9.8	15	6.3	0.9	4.8	15	6.6	2.6	16.[illegible]	6	1.0	15
Akzona	4.3	16	7.9	0.5	5.5	16	3.6	2.5	6.9	16	–14.6	16
Medians	**17.4**		**20.9**	**0.4**	**13.9**		**11.5**	**6.1**	**16.0**		**16.8**	
Industry Medians	**15.1**		**17.4**	**0.4**	**12.1**		**11.2**	**6.1**	**14.4**		**13.0**	
All-Industry Medians	**15.1**		**18.7**	**0.4**	**11.8**		**11.0**	**5.2**	**15.1**		**13.1**	

Note: Explanation of Yardstick calculations on page 31.
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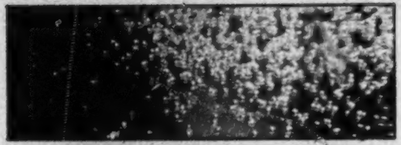
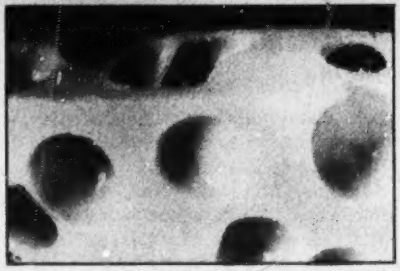
The health hustle and panty hose are working a little magic. Surprise! So are ordinary groceries.





Food and drink

AFTER YEARS OF AGGRESSIVE ACQUISITION, many of the so-called "diversified food companies" are as dependent upon nonfood items for their earnings as they are on food. Food executives are beginning to sound like mutual fund managers as they talk about their "portfolios." Listen to General Foods Corp. Chairman and CEO James L. Ferguson, who has firmed up the performance of his $5.5 billion coffee and packaged-food firm in the past two years: "We sought to develop a portfolio [of products] that would balance risks and opportunities." GF saw the largest increase in margins of any packaged-food firm last year—from 3.5% to 4.7%, mostly because coffee commodity prices stayed relatively low while prices at the supermarket rose.

Coals to Newcastle?

Gallic snobbery strikes again! First it was denim jeans as fashion. Now Napa Valley wines are the talk of *le tout Paris*.

Burgess, Clos Du Val, Chateau Montelena and Trefethen, not exactly household names in the U.S., where per capita wine consumption is under two gallons a year, are now being snapped up in Paris, selling for $17 a bottle.

Last spring C. Gregory Bissonette, a former San Francisco stockbroker, now president and owner of Chateau Chevalier Winery Inc. in St. Helena, Calif., organized 30 West Coast vintners into Globcor Vin and shipped to France 650 cases of assorted wines. They sold out. Globcor will ship another 1,200 cases this month.

Globcor will not turn a profit this year, but Bissonette believes the demand is there. Then why haven't Paul Masson, Christian Brothers and others who have been exporting their wines for years made a dent in the market? Bissonette explains: "They're not the kind of wines Europeans want." The world is awash in *vin ordinaire*, he says, but not high-class stuff from California.

RGESS
1975
Cabernet
Sauvignon
CHATEAU
MONTELENA
Trefethen
CHARDONNAY

The Quaker Oats Co., which also had an excellent growth year, sounds just like General Foods. "A company like Quaker has a balanced portfolio," explains Frank J. Morgan, Quaker's executive vice president for grocery products in the U.S. and Canada. He means the company is as dependent upon convenience foods like frozen pizza as on staples like hot and cold cereals, and it hasn't gone too far afield in diversifications like chemicals—a mere 3% of earnings last year—or restaurants.

Thus, it's a good idea to take a look at where the food firms are deriving their earnings, and see how economy-sensitive their nonfood industries will be in the coming downturn. Take Borden Inc. Nearly 40% of its earnings last year were from its chemical division. But both return on equity and margins were down, according to the FORBES Yardsticks, largely as a result of poor performance in its adhesive chemicals. Then there's General Mills Inc. General Mills' return on equity in 1977 topped the FORBES list in its category. Not so in 1979; its furniture and travel divisions showed an earnings decline, and its recently acquired Ship 'n Shore blouses lost some $17 million pretax. Although other diversifications like retailing and men's apparel did well, 1980 is not likely to be an exciting year for either. So General Mills' margins may again be hit.

Consolidated Foods Corp. is another firm that might make economy watchers wary. This past year its margins declined from 2.7% to 2.3%. Over 40% of its earnings came from nonfood products—Electrolux Corp. vacuum cleaners, Fuller Brush Co. brushes and Hanes Corp. stockings. While Hanes may fare well as long as women keep working, vacuum cleaner sales will probably slip, along with other consumer durables. Meanwhile, Beatrice Foods Co. surely earned an award for being in the wrong place at the wrong time. Subsidiaries such as Airstream trailers and Harman Kardon suffered during a year in which an energy crisis hit and there was less disposable income for nonessentials like hi-fi components. Add in management mayhem at Beatrice, and you get a firm that usually places high on the FORBES list declining to a return on equity of 15.5% from the previous year's 17%. Beatrice has announced it will sell Harman and wants to unload Airstream; an expected increase in the orange crop this season should boost earnings from Tropicana Products Inc.—a good bet, since fruit juices has been one of the largest growth areas lately, in the wake of the health-food craze.

Another example of the risks in nonfood diversification is Norton Simon Inc. NS' return on equity was down slightly for the year, and it continued to lose money at Max Factor & Co., its cosmetics subsidiary.

All these diversifications, of course, were supposed to increase food company margins. Nowhere was this more of a gamble than with the purchase of fast-food chains. Since unit volume in the food business has been stagnant since the early Seventies, food companies went after the 20%-plus growth they saw in fast food. But the gas crisis last spring curtailed much pleasure driving, and meat prices remained on a high plateau. So the fast-food industry faltered. This explains the poor showing of Ralston Purina Co., where return on equity fell to 13.2% from 1978's impressive 17.8%. Its Jack in the Box chain has lost ground to more effective competitors like McDonald's and Burger King. That's why Ralston Purina is closing 232 restaurants east of the Mississippi. Ralston also flopped with its Green Thumb floriculture division, which sold houseplants through discount stores. It was sold off in May 1979. And Ralston lost market share to Quaker Oats and General Foods in the profitable pet-food market.

Other food companies are also getting shot down in fast food. Campbell Soup Co. shed its Herfy's Corp. chain two months ago. General Foods doesn't look for much from its Burger Chef chain this year, despite its commitment to turn it around. And Quaker Oats President Robert D. Smithburg announced that Quaker will cut its expansion spending on such "theme restaurants" as its Magic Pan Creperie chain.

One of the bright spots in 1979 was "a resumption of growth in unit volume of packaged grocery products," says analyst Robert J. Cummins of Wertheim. That's the mature business which so many food firms found so boring for most of the Seventies. The largest pickup in sales has been in such areas as peanut butter, cheese, cereal and salad products. "Basic products like oatmeal and pancake mixes have been doing well for the past few months," comments Frank Morgan of Quaker, because of less discretionary income. But Morgan attributes choices of more green vegetables, cheese and cereals to genuine and faddish interest in health.

"People are getting more concerned about nutritious foods, whether it be fibers or low cholesterol," explains Morgan. "As consumers become more educated, they are more aware of it. In schools there is also more emphasis on nutrition. Years ago we ate margarine instead of butter because it was cheap. Today even grammar school children look for margarine because they're taught it's healthy."

Food & Drink

Yardsticks of Management Performance

	Profitability								Growth			
	Return on Equity				Return on Total Capital				Sales		Earnings Per Share	
Company	5-year average	5-year rank	latest 12 months	debt/equity ratio	latest 12 months	5-year rank	5-year average	net profit margin	5-year average	5-year rank	5-year average	5-year rank
Diversified Foods												
Dean Foods	20.8%	1	20.6%	0.5	14.0%	2	15.2%	1.9%	12.9%	8	31.5%	1
Curtice-Burns	20.2	2	19.3	2.4	7.7	8	13.1	1.7	29.6	1	21.5	2
CPC International	18.9	3	20.2	0.2	16.5	1	15.2	5.0	11.2	16	14.7	8
Universal Foods	18.3	4	14.1	0.3	12.0	6	14.2	3.0	19.6	2	15.7	5
General Foods	18.1	5	20.4	0.2	16.5	4	14.2	4.7	12.7	9	14.2	9
General Mills	17.8	6	17.0	0.4	13.1	10	12.9	3.9	16.2	4	15.6	6
Beatrice Foods	17.1	7	15.5	0.4	11.6	5	14.2	3.5	16.6	3	10.9	15
Ralston Purina	17.0	8	13.2	0.4	9.8	12	11.9	2.8	12.2	12	13.1	10
Federal Co	16.3	9	18.4	0.1	16.1	3	14.4	3.1	15.9	5	21.2	3
Pillsbury	16.2	10	17.1	0.8	10.5	13	11.1	3.8	15.8	6	14.9	7
Standard Brands	16.0	11	15.7	0.4	10.8	14	10.9	3.3	11.3	15	9.2	17
Kraft	15.8	12	16.8	0.2	13.6	9	13.0	3.3	9.7	19	12.3	12
H J Heinz	15.6	13	18.5	**	14.1	11	12.1	4.9	12.4	10	17.8	4
Campbell Soup	15.1	14	15.6	0.0	13.9	7	14.0	5.8	9.9	18	9.5	16
Norton Simon	14.5	15	14.4	0.6	9.3	17	9.8	4.5	10.3	17	9.1	18
Int'l Multifoods	14.5	16	13.8	0.4	10.3	15	10.8	2.5	8.0	22	13.0	11
Castle & Cooke	13.5	17	11.1	0.7	7.3	19	9.2	2.9	13.0	7	11.7	14
Borden	12.7	18	12.2	0.4	9.4	18	9.7	3.3	8.8	21	11.9	13
Consolidated Foods	12.5	19	15.9	0.5	12.3	16	10.2	2.3	12.3	11	2.3	20
Ward Foods	11.4	20	20.6	2.2	10.6	23	3.7	1.6	-2.9	24	D-D	23
Di Giorgio	7.8	21	11.1	0.9	8.0	21	6.1	1.0	12.2	13	6.1	19
Fairmont Foods	7.6	22	7.1	0.7	6.1	20	6.3	0.9	6.7	23	-0.3	21
Kane-Miller	6.3	23	1.0	0.9	2.9	22	5.7	0.1	11.3	14	-1.6	22
United Brands	2.7	24	4.7	0.6	4.2	24	3.1	0.6	9.1	20	D-P	
Medians	15.7		15.7	0.4	10.7		11.5	3.1	12.2		12.3	
Meatpackers												
Iowa Beef Processors	22.2%	1	18.0%	0.4	14.8%	1	15.7%	1.0%	16.6%	2	26.8%	1
Idle Wild Foods	19.1	2	19.5	0.4	14.5	2	15.6	1.2	10.3	5	19.6	3
Bluebird	16.5	3	24.0	0.6	17.3	5	12.4	1.9	11.8	3	19.9	2
Oscar Mayer	15.4	4	17.0	0.1	14.2	3	12.7	3.1	9.8	6	9.8	5
George A Hormel	14.1	5	18.3	0.2	16.1	3	12.7	2.2	8.6	8	11.1	4
Frederick & Herrud	13.9	6	16.6	0.7	11.0	6	10.1	0.7	23.2	1	2.1	9
Greyhound	12.3	7	15.8	0.7	10.3	7	8.8	2.4	6.1	9	3.1	8
Esmark	12.1	8	12.2	0.6	7.5	8	8.8	1.4	9.1	7	9.0	6
Monfort of Colorado	5.2	9	def	0.4	1.1	9	4.6	0.0	10.6	4	4.6	7
General Host	def	10	11.8	3.0	8.0	10	2.5	0.9	4.4	10	P-D	10
Rath Packing	def	11	def	30.0	def	11	def	def	2.5	11	P-D	10
Medians	12.8		16.6	0.6	11.0		10.1	1.3	9.8		9.0	

Food & Drink

Yardsticks of Management Performance

	Profitability								Growth			
	Return on Equity				Return on Total Capital				Sales		Earnings Per Share	
Company	5-year average	5-year rank	latest 12 months	debt/ equity ratio	latest 12 months	5-year rank	5-year average	net profit margin	5-year average	5-year rank	5-year average	5-year rank
Agricultural Commodities												
ConAgra	25.7%	1	23.9%	0.5	16.1%	3	14.1%	3.0%	8.5%	10	68.6%	2
Pioneer Hi-Bred Intl	24.9	2	23.7	0.2	19.6	1	23.2	12.0	21.1	2	24.8	6
Savannah Foods	24.6	3	9.6	0.5	7.4	2	15.7	1.6	6.6	12	73.4	1
Kay	21.3	4	26.8	1.0	11.3	7	12.0	0.9	21.7	1	63.6	3
Archer Daniels Midland	18.5	5	14.7	0.4	10.4	3	14.1	2.8	18.2	5	24.0	7
A E Staley Mfg	18.5	6	9.6	0.4	7.1	6	13.6	1.6	21.1	3	27.1	5
DEKALB AgResearch	17.6	7	15.4	0.3	11.2	5	13.8	7.7	20.7	4	16.4	9
Seaboard Allied Milling	13.4	8	17.6	0.3	12.8	11	9.6	2.2	12.2	8	15.4	11
Dibrell Brothers	12.8	9	12.8	0.2	11.3	9	10.9	1.2	13.2	7	15.6	10
Peavey	12.7	10	12.6	0.4	9.0	10	10.1	2.7	9.8	9	8.3	12
Anderson, Clayton	12.3	11	11.6	0.1	10.9	8	11.0	3.3	7.4	11	16.9	8
Central Soya	11.8	12	13.4	0.4	9.9	12	9.1	1.4	14.2	6	3.5	13
Nutrin	9.6	13	13.6	0.8	7.6	13	6.7†	1.4	4.4‡‡	13	27.9‡‡	4
Medians	**17.6**		**13.6**	**0.4**	**10.9**		**12.0**	**2.2**	**13.2**		**24.0**	
Other Food Specialists												
Kellogg	28.9%	1	26.6%	0.1	22.1%	1	24.1%	8.8%	14.8%	3	16.5%	2
Flowers Industries	20.1	2	17.9	0.5	11.9	9	12.1	3.1	22.2	1	16.7	1
Hershey Foods	18.6	3	18.4	0.1	15.8	3	15.6	5.0	11.4	10	16.4	3
Wm Wrigley Jr	18.5	4	18.6	0.0	17.9	2	17.8	7.6	13.7	6	12.1	7
Nabisco	18.1	5	18.2	0.4	12.2	7	12.2	4.2	10.6	11	10.7	10
Campbell Taggart	17.9	6	17.7	0.3	12.9	6	13.3	3.2	13.9	5	15.0	4
Carnation	17.5	7	17.1	0.2	13.9	5	14.0	4.9	11.8	9	13.7	6
Gerber Products	15.9	8	15.0	0.1	13.4	4	14.2	5.3	9.4	14	9.3	11
McCormick & Co	15.7	9	14.7	0.4	11.5	7	12.2	4.1	16.1	2	14.6	5
Quaker Oats	14.9	10	17.8	0.3	12.6	10	10.6	4.3	13.9	4	11.2	9
Amstar	14.0	11	8.7	0.2	6.8	12	9.5	2.3	9.8	12	7.9	13
Anser Maize-Products	12.8	12	8.9	0.5	7.1	11	9.9	2.3	12.9	8	11.7	8
American Bakeries	12.7	13	8.1	0.7	5.7	13	8.5	0.8	6.7	15	D-P	
Knudsen	10.4	14	17.1	1.4	9.5	14	6.8	1.7	13.1	7	2.0	14
Stokely-Van Camp	8.5	15	10.8	0.4	8.1	15	6.7	2.6	9.5	13	8.2	12
DPF	**		19.2	2.8	8.0		**	1.8	**		**	
Medians	**15.9**		**17.4**	**0.4**	**12.1**		**12.2**	**3.7**	**12.9**		**11.9**	
Drinks												
G Heileman Brewing	25.8%	1	32.2%	0.2	25.1%	2	18.9%	5.1%	21.4%	1	22.3%	1
Coca-Cola	24.0	2	23.7	0.0	22.5	1	22.7	8.7	13.5	6	11.8	5
PepsiCo	21.1	3	22.0	0.4	16.0	3	15.1	5.3	18.7	3	15.8	2
Heublein	17.1	4	16.4	0.5	12.0	6	12.0	4.0	12.8	7	11.9	4
Brown-Forman Distillers	14.5	5	19.1	0.5	14.4	7	11.3	7.2	10.2	9	11.8	6
Anheuser-Busch Cos	14.4	6	15.9	0.5	9.6	10	9.6	4.5	13.6	5	6.2	8
Royal Crown Cos	14.2	7	6.8	0.6	5.9	4	13.6	1.6	14.9	4	2.5	13
Adolph Coors	14.1	8	12.4	0.0	11.6	5	13.5	10.2	12.4	8	10.7	7
National Distillers	13.1	9	14.0	0.4	10.8	8	10.2	6.3	6.9	12	13.6	3
Hiram Walker	11.5	10	14.9	0.1	12.4	9	9.9	8.6	3.9	15	3.5	11
Liggett Group	10.3	11	15.3	0.5	11.3	11	8.3	5.4	4.6	14	3.3	12
Seagram	9.0	12	9.9	0.4	7.7	13	7.3	4.2	6.4	13	5.7	10
Olympia Brewing	8.7	13	9.7	0.3	8.1	12	7.7	1.9	19.5	2	5.9	9
Pabst Brewing	7.9	14	4.0	0.1	3.5	14	7.2	1.4	10.1	10	–2.2	14
Jos Schlitz Brewing	6.4	15	def	0.3	def	15	4.9	def	8.4	11	–12.5	15
Medians	**14.1**		**14.9**	**0.4**	**11.3**		**10.2**	**5.1**	**12.4**		**6.2**	
Industry Medians	**14.7**		**15.6**	**0.4**	**11.3**		**11.8**	**2.9**	**12.0**		**11.9**	
All-industry Medians	**15.1**		**16.7**	**0.4**	**11.6**		**11.0**	**5.3**	**13.1**		**13.1**	

Note: Explanation of Yardstick calculations on page 51. †Four-year average. ‡‡Three-year growth.
P-D Profit to Deficit. D-D Deficit to Deficit. D-P Deficit to Profit; not ranked. def Deficit. **Not available; not ranked.

Analysts like William M. Knobler of Sanford C. Bernstein think that too much is made of the health-food kick. ("It's really much more talked about by the intelligentsia. The average American, if he wants a Dorito, goes out and gets a Dorito.") But statistics show that health-food sales have been rising some 30% a year since 1970, though from a small base. That's why the industry is jumping on the "health" bandwagon: Kraft Inc. is pushing diet cheese, CPC International Inc. offers Diet Mazola margarine, Carnation Co. has a diet hot chocolate drink and Quaker Oats is test marketing a low-sugar presweetened cereal. General Mills is getting into indoor lettuce growing. Consolidated Foods is marketing a carbonated beverage as a "natural flavored drink." H.J. Heinz Co. is now betting heavily on its Weight Watchers acquisition.

Food companies are getting shot down in fast food. Campbell Soup shed its Herfy Corp. chain two months ago. General Foods doesn't look for much from its Burger Chef. And Quaker will cut its expansion spending on "theme restaurants."

Diet is also helping to promote wine against hard liquor. Wines have continued their uptrend against whiskey, with domestic brands like National Distillers & Chemical Corp.'s Almaden Vineyards Inc. and The Coca-Cola Co.'s Taylor Wine Co. bringing to wine advertising the kind of media spending that once only went to beer and soft drinks.

Paradoxically, calorific snack foods had a great year. PepsiCo, Inc.'s Frito-Lay products, packed with carbohydrates, showed increased unit volume of some 11% in the U.S. and 41% overseas by the end of its third quarter. "You don't have a situation overseas of people going on diets, so you can produce bigger growth rates than you can here," comments analyst Knobler. CPC, which sells 60% of its products overseas—like Skippy peanut butter and Hellmann's mayonnaise—is finding big new markets in Asia and Latin America. General Foods' Ferguson says, "We are depending upon international [profits] to grow faster than the firm's income as a whole." Says E.F. Hutton food analyst Peter J. Barry: "These countries do not differ so greatly from where the U.S. was a decade, or perhaps a generation, ago. There are considerable opportunities for U.S. companies to make inroads."

Despite record U.S. crops, food prices will keep rising as long as packaging, advertising, distribution and labor costs keep climbing. ■

Recession prospects: electrical utilities (poor); natural gas (excellent); telephones (mildly down).

Utilities

ROUGHLY FOUR OUT OF EVERY TEN electric utility companies were failing to show significant earnings gains as 1979 ended. Three Mile Island, record interest rates and soaring construction and operating costs outstripped the utilities' ability to increase rates. The natural gas distributors, in contrast, are blossoming as supplies and price policies produce rising earnings. Phone companies confront slower growth now but sterling prospects in the decade ahead.

The nuclear incident at the Three Mile Island facility has already devastated General Public Utilities—parent of Metropolitan Edison. GPU was forced to slash its common dividend and regulators have ordered the company to show why Metropolitan Edison should keep its franchise. The entire nuclear power industry is suffering. In October of last year the Nuclear Regulatory Commission called current safety procedures unsafe. The NRC also froze permits for new reactors. Worse yet, NRC said that some of the 71 operating reactors should be shut down because they're too close to major population centers.

What Three Mile Island did to nuclear power, OPEC and accelerating inflation did to the entire utility industry. Oil prices continue to ratchet up with monotonous regularity—about 65% last year alone. That, plus higher coal and gas prices, inflated construction costs and extraordinarily high interest rates (Louisiana Power & Light paid 13½% for 30-year money) meant rapidly escalating costs.

As Ed Gaylor, utility analyst at Donaldson, Lufkin & Jenrette, puts it, "What choice do many of them have? Utilities had traditionally borrowed short. Now with the prime rate approaching 16%, that route isn't a steal anymore—especially if a utility is usually only allowed a 13% return on equity, and earns maybe 11.5%. It's scary when you think about it."

Common stock financing? With so many utility stocks selling well below book value today, it's almost suicidal. Electric companies' common stock financing was often at discounts from book of 20% to 30%. Yet rate commissions often fail to grant timely and adequate relief. As long as such conditions prevail, the common stockholders of many utilities will have their property badly diluted.

But growth is slowing markedly. That means less pressure to raise new capital. Usage growth began slowing in 1975 and 1976, and slowed further in 1978 and 1979 from over 5% to about 3½% by the end of 1979. The forecast for 1980 is for only a 2½% or so increase in kwh sales. "High interest rates and lower load demands," claims American Electric Power's Chairman Willis (Pete) S. White Jr., "will keep our capital expenditure programs well within the earlier $1.9 billion estimates for 1979-80."

AEP's situation is fairly typical. Cutbacks will give the utilities some short-term breathing room, since current capacity is more than 20% greater than peak demand. Nonetheless,

Power to the people?

In May the 180,000 citizens of Fort Wayne, Ind. will decide whether to take over the estimated $70 million (assets) electric power facilities now owned by Indiana & Michigan Electric Co. and form a municipal power distribution system. Florida Power & Light, too, may soon have to defend its turf: Its 30-year franchise in Miami Beach expires in December 1981 and a referendum must be held on whether the city should extend the franchise or take it over.

In the past year public power advocates have raised the same issue in cities like New York, Buffalo, Detroit, Minneapolis, El Paso, San Francisco and Hartford. Among other things, without a 46% corporate income tax or shareholders' dividends, they argue, utility bills could be cut 35% or more. At the general taxpayer's expense, of course.

But last election day, Westchester County, N.Y. voters turned down a proposal to take over Consolidated Edison's $2 billion facilities there. Wall Street analysts saw the vote as a mortal wound to public takeover efforts. Explains one, "The economics for that kind of thing are wrong now."

Though a city must buy a system for its current value, it can finance the takeover through municipal bonds at 7% to 9%. But it loses property taxes and must raise capital improvement funds. Also, it risks protracted litigation. For example, little Massena, N.Y. has spent over $1 million fighting Niagara Mohawk Power over transmission rights since voters opted for a municipal system in May 1974.

There are now 2,224 publicly owned electric utilities in 48 states. Communities served by them save an average 26% per kilowatt-hour compared with those served by investor-owned companies. That discourages conservation (public power customers use 22% more power, too). But most public systems were not acquired through condemnation; they were publicly owned from their beginnings.

Since 19[illegible] far more public electricity agencies have gone out of business than have been taken over. Some have gone into joint ventures with investor-owned companies or with co-ops. Says Con Ed Senior Vice President Joyce Hergenhan, "The local governments refuse to bite the bullet to make repairs. They don't want to raise rates *or* taxes."

Perhaps that is why, when asked if public ownership in San Francisco is feasible, Pacific Gas & Electric's Stanley T. Skinner, executive vice president of finance, laughs: "That issue has surfaced nine times since 1927, most recently, late in 1979, and each time it's been defeated."

Maybe voters are not so gullible. Voters can see what public ownership has done to New York City garbage collection and Conrail. Corporate "greed" may look better than bureaucratic bumbling and featherbedding.

Utilities—Electric-Telephone

Yardsticks of Management Performance

	Profitability								Growth			
	Return on Equity				Return on Total Capital				Sales		Earnings Per Share	
Company	5-year average	5-year rank	latest 12 months	debt/ equity ratio	latest 12 months	5-year rank	5-year average	net profit margin	5-year average	5-year rank	5-year average	5-year rank
Northeast												
Long Island Lighting	13.4%	1	12.8%	0.8	7.4%	1	7.2%	15.9%	14.9%	2	3.6%	7
New England Gas & Elec	13.2	2	14.6	0.8	7.2	3	6.6	6.6	14.1	6	6.3	2
Penn Power & Light	12.7	3	13.4	0.8	7.2	2	6.8	21.0	15.3	1	4.3	4
New England Electric	12.2	4	14.3	1.0	6.7	9	6.2	8.9	12.5	12	5.3	3
N Y State Electric & Gas	11.7	5	12.8	1.0	7.1	4	6.6	14.3	13.9	7	3.7	6
Consolidated Edison	11.6	6	10.5	0.8	6.1	8	6.3	9.7	12.8	11	12.4	1
Niagara Mohawk Power	11.2	7	12.0	0.9	6.6	6	6.3	10.9	13.1	10	3.4	8
Public Service Electric & Gas	11.2	8	11.7	0.8	6.2	10	6.1	10.2	14.5	5	2.2	9
Delmarva Power & Light	10.9	9	11.7	1.0	6.7	5	6.3	12.4	14.8	3	−0.5	12
Rochester Gas & Electric	10.9	10	10.3	0.9	6.0	7	6.3	10.8	11.2	13	4.2	5
Northeast Utilities	10.5	11	10.3	1.1	5.6	11	5.8	9.7	10.2	14	−0.1	11
General Public Utilities	10.1	12	8.5	1.2	5.3	11	5.8	8.1	14.7	4	0.5	10
Philadelphia Electric	9.7	13	10.0	1.0	5.6	13	5.6	13.2	13.4	9	−0.8	13
Boston Edison	8.7	14	11.1	1.1	5.4	14	5.1	8.6	13.8	8	−2.8	14
Medians	**11.2**		**11.7**	**1.0**	**6.4**		**6.3**	**10.5**	**13.9**		**3.5**	
Midwest												
Public Service Indiana	14.9%	1	16.2%	0.8	7.4%	1	7.3%	19.0%	16.4%	11	7.4%	1
Indianapolis P & L	13.8	2	16.4	0.9	7.5	9	6.6	15.4	15.4	15	3.8	7
Wisconsin Public Svc	13.4	3	14.3	0.6	7.5	2	7.2	9.6	17.4	7	7.2	2
Cleveland Electric Illum	13.2	4	12.0	0.9	6.7	3	7.1	14.0	15.1	18	2.3	11
Northern States Power	13.2	5	13.7	0.7	6.7	13	6.3	11.9	14.5	21	4.2	5
Toledo Edison	12.8	6	11.7	1.0	6.7	10	6.6	16.6	18.6	2	0.7	17
Illinois Power	12.7	7	12.1	0.9	6.1	11	6.4	12.0	15.6	14	1.1	15
Kansas Power & Light	12.7	8	12.1	0.8	6.2	4	6.7	10.7	18.3	4	3.4	9
Cincinnati Gas & Electric	12.6	9	13.5	0.9	7.0	8	6.6	10.9	14.9	20	1.8	14
Central Ill Public Svc	12.5	10	14.1	1.0	7.2	14	6.3	12.3	17.6	6	1.0	16
Wisconsin Power & Light	12.2	11	13.2	0.7	6.6	7	6.6	9.7	17.1	9	4.1	6
Consumers Power	12.0	12	12.7	0.9	6.1	19	5.9	11.0	16.2	13	5.9	4
Union Electric	11.9	13	11.0	1.0	6.0	16	6.3	12.6	15.0	19	2.9	10
Wisconsin Electric Power	11.8	14	12.4	0.7	6.6	6	6.7	10.1	13.0	24	6.3	3
Allegheny Power	11.7	15	11.2	1.0	5.7	17	6.2	8.3	17.2	8	1.9	12
Columbus & So Ohio	11.7	16	10.1	1.0	6.3	5	6.7	13.9	18.0	5	3.8	8
American Electric Power	11.5	17	10.6	1.2	6.0	15	6.3	9.1	18.5	3	−0.3	20
Ohio Edison	11.1	18	9.6	1.0	5.9	18	6.0	12.0	16.3	12	−1.3	22
Dayton Power & Light	10.8	19	10.8	0.9	6.5	12	6.4	10.4	15.2	17	−1.0	21
Commonwealth Edison	10.6	20	10.0	0.9	5.5	20	5.7	12.3	13.5	23	0.4	18
Kansas City Power & Light	10.5	21	10.2	0.9	5.2	22	5.5	12.8	14.2	22	1.9	13
Duquesne Light	10.0	22	8.6	0.9	5.3	21	5.6	11.8	16.7	10	−4.2	24
Central Illinois Light	9.9	23	12.8	0.8	6.0	23	5.3	9.1	19.4	1	−3.8	23
Detroit Edison	9.4	24	10.5	0.9	4.6	24	5.0	7.9	15.4	16	−0.3	19
Medians	**12.0**		**12.1**	**0.9**	**6.3**		**6.4**	**11.9**	**16.3**		**1.9**	
Southeast												
Tampa Electric	14.0%	1	12.8%	0.8	6.2%	3	6.3%	8.9%	21.4%	2	7.8%	1
Florida Power	13.1	2	10.8	0.8	5.7	9	6.0	8.5	22.3	1	5.8	4
Florida Power & Light	12.6	3	12.5	0.9	6.3	2	6.4	10.7	18.5	7	6.9	2
South Carolina Elec & Gas	12.2	4	10.1	1.0	5.6	7	6.2	10.6	17.2	10	2.8	6
Middle South Utilities	12.1	5	12.8	1.3	6.4	10	5.9	11.5	17.7	8	2.0	7
Carolina Power & Light	12.0	6	12.3	0.8	6.4	6	6.2	16.6	20.1	4	4.6	5
Duke Power	11.8	7	13.4	0.9	7.0	5	6.3	18.2	17.3	9	6.2	3
Baltimore Gas & Electric	11.4	8	12.1	1.0	6.8	1	6.5	12.7	13.5	12	1.9	8
Louisville Gas & Electric	11.0	9	9.4	0.9	5.3	8	6.1	8.5	13.1	13	0.7	11
Potomac Electric Power	10.4	10	10.4	1.1	6.2	4	6.3	11.1	15.9	11	1.6	9
Southern Company	10.4	10	8.0	1.1	4.7	13	5.1	6.5	19.7	5	−0.7	13
Kentucky Utilities	10.3	12	11.5	0.9	6.1	12	5.6	9.7	18.6	6	0.9	10
Virginia Electric & Power	10.1	13	9.0	1.0	5.6	11	5.9	12.6	20.5	3	−0.5	12
Medians	**11.8**		**11.5**	**0.9**	**6.2**		**6.2**	**10.7**	**18.5**		**2.0**	

Utilities—Electric-Telephone

Yardsticks of Management Performance

	Profitability								Growth			
	Return on Equity				Return on Total Capital				Sales		Earnings Per Share	
Company	5-year average	5-year rank	latest 12 months	debt/ equity ratio	latest 12 months	5-year rank	5-year average	net profit margin	5-year average	5-year rank	5-year average	5-year rank
Southwest												
Southwestern Public Service	19.2%	1	15.7%	1.0	7.3%	1	8.2%	11.8%	21.5%	2	8.3%	1
Central & South West	14.1	2	14.4	0.8	6.8	4	7.1	10.8	19.7	4	4.5	4
Houston Industries	14.0	3	14.7	1.0	7.1	3	7.4	9.2	24.7	1	7.2	2
Arizona Public Service	13.4	4	12.2	0.9	7.2	2	7.5	17.4	19.8	3	5.4	3
Texas Utilities	12.9	5	12.4	0.9	6.7	5	7.1	12.5	18.5	6	4.2	5
Oklahoma Gas & Electric	11.5	6	7.5	0.9	4.5	6	6.1	8.5	19.3	5	-0.3	7
Gulf States Utilities	11.3	7	10.6	1.0	5.5	7	5.6	9.4	17.6	7	0.7	6
Medians	**13.4**		**12.4**	**0.9**	**6.8**		**7.1**	**10.8**	**19.7**		**4.5**	
West												
Pacific Power & Light	12.2%	1	11.6%	1.1	6.4%	5	6.5%	14.6%	19.9%	3	3.3%	2
Southern Calif Edison	11.7	2	14.0	0.9	7.6	3	6.7	13.8	15.6	7	5.2	1
Utah Power & Light	11.4	3	10.9	0.9	6.6	1	6.8	15.6	23.3	1	2.1	3
Pacific Gas & Electric	11.0	4	12.8	0.8	7.7	4	6.6	11.8	18.0	5	1.3	4
San Diego Gas & Electric	10.8	5	9.4	0.9	6.3	2	6.7	9.0	20.5	2	-0.7	5
Public Service Colorado	10.2	6	8.0	1.0	5.1	7	5.6	6.4	18.0	4	-1.4	6
Portland General Electric	9.6	7	7.8	1.2	5.4	6	6.1	16.7	17.4	6	-2.6	7
Medians	**11.0**		**10.9**	**0.9**	**6.4**		**6.6**	**13.8**	**18.0**		**1.3**	
Telecommunications												
United Telecommunications	17.7%	1	18.8%	1.0	8.1%	1	7.5%	10.9%	13.2%	2	9.2%	2
Central Tel & Utilities	17.0	2	17.8	0.9	7.3	2	7.4	11.0	14.1	1	9.8	1
General Tel & Electronics	15.0	3	15.0	0.9	7.2	3	7.1	6.6	11.6	3	9.1	3
Continental Telephone	13.1	4	14.9	1.1	6.9	5	6.2	10.3	9.8	6	3.0	6
American Tel & Tel	12.2	5	13.2	0.7	7.3	4	6.9	12.6	11.5	4	8.4	4
So New England Tel	10.9	6	11.8	0.7	6.3	6	6.2	10.3	10.4	5	5.4	5
Western Union	4.6	7	def	0.9	2.3	7	4.4	0.4	7.6	7	0.9	7
Medians	**13.1**		**14.9**	**0.9**	**7.2**		**6.9**	**10.3**	**11.5**		**8.4**	
Industry Medians	**11.8**		**13.0**	**0.9**	**6.4**		**6.5**	**10.9**	**16.1**		**3.9**	
All-Industry Medians	**15.1**		**16.7**	**0.4**	**11.0**		**11.0**	**5.3**	**13.1**		**13.1**	

Note: Explanation of Yardstick calculations on page 51.
def Deficit.

says analyst Gaylor, "You'll never get a utility to own up to the main reason they stretch out a project—that they've got a financing problem. They all would rather talk about a revision in the load forecast. If they had their druthers they would complete the projects sooner regardless of the short-term drop in demand." They know full well that construction delays only lead to higher costs in the future.

Take Chicago's Commonwealth Edison. Refused significant rate increases by the local pols, its return on investment fell to 10% and its bond rating on some issues was dropped from A to a speculative Baa. So Commonwealth withdrew from the bond market and delayed some construction. The inevitable result: higher costs in the future.

One way out of the financing bind is through joint venture programs. A few are already operating. Georgia Power and Florida Power & Light are negotiating for GP to sell part of a nuclear facility to FP&L. Says Gaylor, "Georgia Power just couldn't finance the program itself." Virginia E&P is also considering the sale of part of a new power facility to other big users. Duke Power has already sold part of its nuclear facility to a municipal power agency located in North Carolina.

Some hard-pressed utilities are resorting to off-balance-sheet financing. Portland General Electric entered into a $39 million leveraged-lease, coal-unloading-and-handling-facilities deal with Bank of America. Vermont's Green Mountain Power sold $6 million of bondlike certificates to its customers in 1979.

In some cases municipalities have banded together and floated tax-exempt bonds to finance new facilities and acquisitions to get power cheaper than buying from a utility.

A slowing of inflation would help rate increases to catch up with cost increases. Unless electrical utilities can get returns up, they will continue to be pinched by a market where long-term bonds go for 12% and the prime rate is at 15%-plus.

But take a look at the natural gas utilities. Gas now looks like one of our more promising energy sources; decontrol has made the difference. Once the drab part of the utility industry, they've blossomed into investment beauties, particularly since enactment of the Natural Gas Policy Act of 1978, allowing gas to flow from the intrastate market into the interstate market at equalized rates.

Despite the recession, gas industry earnings growth may only slow from about 10% to 12% in 1979 to around 7% this year. And return on equity should be a healthy 14% to 15% or so for the gas companies—more if this winter is severe.

Today the gas industry has about 10% more gas than it needs but most of that surplus may disappear by late 1982 or earlier. Meanwhile many gas utilities are actively searching for new sources of supply and investing in synthetic gas programs. Robert R. Herring, boss of Houston Natural Gas, says proudly: "Our subsidiary HNG Oil Co. discovered more than twice the amount of natural gas it produced during the year." Columbia Gas, normally a sedate transmitter of gas, generated some excitement with the announcement in September that a group of producers—in which it has a 5% interest—made an oil and gas strike off the coast of Newfoundland. Columbia also dropped its seven-year freeze on new customer hookups. Chairman Richard L. O'Shields of Panhandle Eastern Pipe Line poured $105 million into exploration in 1979.

As coal gasification develops, the gas industry will unquestionably have problems—with financing, with bugs in the processes, with environmentalists. But as Brooklyn Union Gas' Elwin S. Larson puts it: "People are becoming aware of

Utilities—Natural Gas

Yardsticks of Management Performance

	Profitability								**Growth**			
	Return on Equity				Return on Total Capital				Sales		Earnings Per Share	
Company	5-year average	5-year rank	latest 12 months	debt/ equity ratio	latest 12 months	5-year rank	5-year average	net profit margin	5-year average	5-year rank	5-year average	5-year rank
Producers & Pipeliners												
So Natural Resources	18.5%	1	17.1%	0.6	10.2%	1	9.6%	7.8%	17.5%	5	13.7%	1
Panhandle Eastern	18.2	2	21.1	0.8	10.7	3	8.9	8.9	19.3	3	11.6	2
Tenneco	17.0	3	16.5	0.8	8.8	2	9.2	5.2	17.1	6	10.3	4
Transco Companies	16.3	4	14.0	1.6	6.4	8	6.6	4.3	13.5	8	8.1	7
Texas Eastern	15.9	5	19.1	0.7	10.0	6	8.0	6.2	18.6	4	9.8	5
Texas Gas Transmission	15.4	6	15.8	0.8	8.5	4	8.3	4.6	14.6	7	9.5	6
ENSERCH	14.3	7	14.3	0.8	8.3	5	8.1	4.1	33.0	2	4.8	8
Coastal States Gas	13.7	8	17.6	1.0	8.1	7	7.0	2.1	36.3	1	10.8	3
El Paso Company	11.4	9	20.8	1.4	7.8	9	5.4	5.3	11.8	9	–2.3	9
Medians	**15.9**		**17.1**	**0.8**	**8.5**		**8.1**	**5.2**	**17.5**		**9.8**	
Pipeliners & Distributors												
Pioneer Corp	30.2%	1	30.8%	0.7	14.9%	3	14.2%	8.1%	30.9%	3	26.6%	3
United Energy Resources	29.2	2	26.5	0.4	18.0	1	15.8	3.7	27.5	5	44.6	1
Houston Natural Gas	27.7	3	22.0	0.5	13.2	2	14.9	7.7	34.9	1	31.0	2
Northern Natural Gas	19.0	4	18.2	0.5	10.3	4	10.0	7.6	19.0	7	17.9	4
Central Louisiana Energy	18.8	5	24.3	0.8	11.6	6	8.9	7.6	34.1	2	13.2	6
Northwest Energy	17.6	6	19.3	0.9	8.7	7	8.1	3.7	30.2	4	13.9	5
Arkansas Louisiana Gas	17.4	7	18.2	0.7	9.6	5	9.6	9.3	13.0	10	10.5	7
Peoples Gas	15.5	8	15.2	0.8	7.7	8	7.9	5.8	19.9	6	9.5	8
Amer Natural Resources	13.8	9	10.3	0.7	6.0	9	7.3	4.3	18.5	8	4.9	9
Columbia Gas System	12.1	10	13.1	0.8	7.3	10	6.5	5.6	15.3	9	3.9	10
Medians	**18.2**		**18.8**	**0.7**	**10.0**		**9.3**	**6.7**	**23.7**		**13.6**	
Distributors												
Entex	28.4%	1	26.5%	0.9	13.6%	1	13.5%	5.8%	35.5%	1	31.7%	1
Oklahoma Natural Gas	21.2	2	16.1	0.8	9.9	2	11.4	4.8	32.6	2	17.4	2
Southern Union	15.8	3	19.6	0.7	10.1	4	8.9	4.2	31.2	3	7.5	6
Minnesota Gas	15.6	4	19.0	0.8	10.9	3	9.4	5.2	21.6	4	7.6	5
NICOR	15.3	5	16.4	0.6	8.3	5	8.0	5.9	20.7	5	7.4	7
Laclede Gas	13.2	6	15.0	0.8	8.1	8	7.1	4.3	15.9	10	6.0	8
Consolidated Natural Gas	12.7	7	12.4	0.6	7.5	6	7.6	6.3	14.5	12	10.8	3
Wisconsin Gas	12.4	8	14.0	0.9	**		**	4.5	16.0	9	5.0	11
Brooklyn Union Gas	12.3	9	14.5	0.8	8.2	7	7.2	6.7	16.7	8	5.0	10
Atlanta Gas Light	12.1	10	10.4	0.8	5.9	12	6.4	2.6	14.7	11	8.9	4
No Indiana Public Svc	11.4	11	10.3	0.9	5.4	13	5.7	6.8	17.3	6	–0.9	14
Pacific Lighting	11.1	12	14.3	0.9	7.9	10	6.4	5.0	13.4	15	5.3	9
Gas Service	11.0	13	14.1	1.1	7.1	11	6.4	2.7	13.8	13	3.6	13
National Fuel Gas	10.4	14	11.7	0.8	7.5	9	6.9	4.2	16.8	7	4.4	12
Washington Gas Light	7.4	15	5.0	0.9	4.1	14	5.0	2.8	13.4	14	–1.0	15
Medians	**12.4**		**14.3**	**0.8**	**8.0**		**7.2**	**4.8**	**16.7**		**6.0**	
Industry Medians	**15.5**		**16.3**	**0.8**	**8.3**		**8.0**	**5.2**	**18.0**		**9.2**	
All-Industry Medians	**15.1**		**16.7**	**0.4**	**11.8**		**11.0**	**5.2**	**13.1**		**13.1**	

Note: Explanation of Yardstick calculations on page 51.

**Not available; not ranked.

the energy problem." The public and government will be more understanding of his industry's problems than they were of those the electrical utilities suffered earlier.

The telephone business was slowing as the recession took hold. The growth rate was down in AT&T's revenue and earnings, as Charles Brown, AT&T's chairman, acknowledged to his 3 million shareholders. In 1980 toll-message gains could fall to 6% to 7%, compared with a gain in 1979 of better than 10%.

Whatever people may think, telephones are not recession-proof. Steven G. Chrust, telephone analyst at the brokerage firm of Sanford C. Bernstein, says, "A number of analysts and managements were being lulled into a false sense of security based on the rapid growth in data communications. They figured the current oil situation would create a shift in communications patterns from travel to voice." They were saying the same things back in 1975, says Chrust, but toll volume that year fell to a ten-year low anyway. Surprisingly, Chrust finds that when passenger airline miles decline, toll demand also falls.

"People figured the oil situation would create a shift from travel to voice," says Chrust. They said the same thing in 1975, but toll volume growth hit a ten-year low anyway.

Independents, because they aren't national, are hit in varying degrees. Continental Telephone and Rochester Telephone may feel the recession less than the biggest independent, General Telephone & Electronics. General Tel has to contend with the California utility commission, which is dragging its feet on rate increases. Also, General's consumer manufacturing operations are experiencing a slowdown in earnings.

Chairman Charles Wohlstetter of Continental Telephone (revenues about $1 billion) says, "This year will not be a year of extraordinary jumps in earnings, but we're spending about $475 million in 1980 (up from $400 million)." The independents must invest now to contend with such new competitors as IBM, Xerox, MCI, Rolm and others offering telecommunications of voice and data.

Beyond the recession AT&T, with an R&D budget of close to $900 million, will be more formidable if the Justice Department modifies the 1956 consent decree barring AT&T from entering the computer business. Proposed overhauling of the 1934 Communications Act could create more competition. All that will make telecommunications as exciting a business as it is a technology. ■

As long predicted, soaring fuel prices and creeping deregulation have finally begun to turn the tide away from truckers and toward the railroads.

Transportation

The inherent efficiencies of long-distance rail hauling may finally give the railroads an edge in what has for decades been a losing battle against over-the-road trucking. The equalizers, it appears, will be deregulation and the rise of fuel costs. The steel wheel on steel rails is more efficient than the rubber tire on asphalt.

Even before Congress acts, railroads and truckers face deregulation. An increasingly aggressive Interstate Commerce Commission is moving ahead through administrative actions. But for all their theoretical commitment to free enterprise, businessmen in regulated industries inevitably get nervous when faced with prospects of more competition. Reflecting their nervousness, such legislators as Senator Howard Cannon (D–Nev.), chairman of the Senate Commerce Committee, aren't pleased with ICC's de facto moves, and Cannon has warned the commission to back off. But the deregulation crusade is not likely to slow down. "The ICC," says Goldman, Sachs' analyst Michael Armellino, "is packed with deregulation advocates. Darius Gaskins, the new chairman, looks to be even more zealous than his predecessor."

The trucking industry is traditionally opposed to any significant deregulation. What the truckers fear, of course, is that deregulation would bring indiscriminate rate-cutting and unlimited competition on profitable routes. Cutthroat—and violent—competition almost destroyed the trucking industry in the 1930s. But that's hardly in prospect at this point because of the relative size and strength of the trucking companies today. Thus the trucking industry has lately altered its intransigence in the hope of getting off a little easier. Says John Pincavage, transportation analyst for Paine Webber Mitchell Hutchins, "The best thing they can do now is go to a fall-back position, hope for a compromise and basically slow down the rate of change." Maybe so, but they have been doing the best they can to preserve the status quo, buttonholing and entertaining congressmen. "All our eggs are now in the congressional basket," admits Bennett C. Whitlock Jr., president of the American Trucking Association. "I have no idea how we will fare in the final outcome, but I feel that we have a better chance in Congress than with the commission." A strange spectacle, that. Businessmen who supposedly love free enterprise fighting to preserve government regulation.

Deregulation is by no means the truckers' only worry. Last year the industry had to confront a major Teamster strike, an often violent independent truckers' strike and awesome rises in diesel fuel prices as well. "I think we could characterize 1979 as very chaotic," says M. Anthony Burns, executive vice president for finance and development of Ryder System, Inc. In that context, Burns was almost pleased with Ryder's 1% increase in third-quarter earnings. Others seem to be doing worse. After 25 years of consecutive earnings increases, Roadway Express, as of the third quarter, was expecting a down year. Yellow Freight System was forecasting a fourth quarter no better than the third.

Fuel price increases, only partially offset by rate hikes, promise to create traumatic dislocations for trucks versus rails. On certain heavy volume routes, long-haul trucking may become a thing of the past. Certainly there will be an increase in piggybacking (moving truck trailers by trains), particularly for long hauls. It has always made sense economically, if not politically.

The railroads also stand to benefit from their undisputed efficiency in moving bulk cargoes—coal, grain and the like. Says Southern Railway System Chairman L. Stanley Crane,

Getting used to deregulation

For a while recently, you couldn't get an airline executive on the phone. A string of calls produced repeated excuses of "tied up," "unavailable," even "laryngitis." Only TWA's President C.E. Meyer Jr. was willing to speak openly about prospects for the industry in 1980. But even he had nothing to say that you haven't heard before about the risks of forecasting in the face of "inflation, recession and the dramatic increase in the price of fuel."

For sheer bounce, 1979 was one of the liveliest years for the airlines since Blériot flew the Channel, what with all those cut-rate promotions and half-fare coupons. But the coupons, initiated by United to get up to the starting line after its two-month strike, did little for American, which compulsively followed suit, especially when the public outsmarted the carriers by booking cheap, short-haul flights (such as Washington-Norfolk and San Francisco-Oakland) to get coupons worth hundreds of dollars on long trips. Those manifestations of free enterprise were followed by a lively trade in coupons, which occasionally sold for more than the cost of the flights that generated them.

The promotion may have served some purpose for United, but a major effect on American was to fill flights to high-revenue Caribbean resorts all through the fall season—at half fares. The coupons and all those promotions produced high revenues and minuscule profits.

It used to be thought that if you filled all the seats, you'd somehow make out. But the half-fare binge distorted the basic economics of marginal costs and revenues almost beyond recognition. Worse yet, at present fuel prices, such aging planes as the DC-8 and the Boeing 707, even when filled, lose money every time they take off. The airlines, highly leveraged already, will have a tough time raising the capital they need to replace such aircraft. But that difficulty may also restrain their usual self-destructive desire to compete on the basis of new and dandier planes.

Deregulation, like freedom in any form, works best with responsibility. As the airlines get used to the prospect of real competition, they may even start benefiting from it.

Transportation—Air

Yardsticks of Management Performance

	Profitability								Growth			
	Return on Equity				Return on Total Capital				Sales		Earnings Per Share	
Company	5-year average	5-year rank	latest 12 months	debt/ equity ratio	latest 12 months	5-year rank	5-year average	net profit margin	5-year average	5-year rank	5-year average	5-year rank
Emery Air Freight	36.8%	1	39.4%	0.1	34.9%	1	35.9%	4.7%	19.4%	1	16.0%	4
Delta Air Lines	15.7	2	14.7	0.1	9.1	2	8.4	4.6	16.3	3	10.6	7
Braniff Intl	15.1	3	6.9	1.4	4.4	3	8.0	1.4	16.3	4	14.8	5
Western Air Lines	14.9	4	16.9	1.1	7.4	6	6.6	3.3	13.4	8	12.6	6
Tiger International	12.8	5	14.3	2.1	6.3	7	5.7	5.4	18.8	2	6.8	9
U S Air	12.0	6	16.9	0.9	11.6	5	6.6	4.2	14.5	6	27.6	2
American Airlines	10.3	7	12.3	1.1	6.5	8	5.6	3.2	11.5	11	D-P	
Northwest Airlines	9.7	8	10.5	0.1	7.2	4	6.7	6.9	13.7	7	10.5	8
UAL	8.9	9	def	0.8	0.1	11	4.5	def	11.2	12	28.5	1
Continental Airlines	8.2	10	def	0.9	1.9	9	5.1	def	13.1	9	17.6	3
Eastern Air Lines	7.8	11	9.4	2.4	5.5	12	4.5	1.7	12.1	10	D-P	
Pan Am World Airways	6.5	12	9.3	1.4	7.9	10	4.8	3.5	8.3	13	D-P	
Trans World	6.1	13	6.1	2.1	4.4	13	3.8	1.0	15.7	5	D-P	
National Airlines	3.3	14	def	0.1	def	14	2.4	def	7.7	14	–15.1	10
Industry Medians	**10.0**		**10.0**	**1.0**	**6.4**		**5.7**	**3.3**	**13.6**		**13.7**	
All-Industry Medians	**15.1**		**16.7**	**0.4**	**11.8**		**11.0**	**5.3**	**13.1**		**13.1**	

Note: Explanation of Yardstick calculations on page 51.

D-P Deficit to Profit; not ranked. def Deficit.

Transportation—Surface

Yardsticks of Management Performance

	Profitability								Growth			
	Return on Equity				Return on Total Capital				Sales		Earnings Per Share	
Company	5-year average	5-year rank	latest 12 months	debt/ equity ratio	latest 12 months	5-year rank	5-year average	net profit margin	5-year average	5-year rank	5-year average	5-year rank
Railroads												
Missouri Pacific Corp	27.8%	1	25.9%	1.2	12.1%	1	10.4%	9.0%	13.7%‡	3	20.6%‡	2
Southern Railway	12.0	2	14.9	0.6	8.2	3	6.9	11.2	9.2	7	12.7	7
Union Pacific	11.7	3	15.8	0.3	10.4	2	8.0	9.9	17.3	2	19.4	3
Norfolk & Western Ry	11.0	4	14.3	0.4	8.8	4	6.4	12.5	4.2	12	18.7	4
Chicago & North Western	9.3	5	def	3.7	1.2	11	4.2	def	9.1‡	8	–0.6‡	12
Santa Fe Industries	9.0	6	10.8	0.3	7.4	4	6.4	8.4	11.8	5	13.6	6
IC Industries	8.8	7	10.2	0.9	5.5	6	5.7	2.8	17.7	1	10.4	8
Chessie System	8.1	8	10.0	0.8	6.2	7	5.3	6.8	6.7	11	17.6	5
Seaboard Coast Line	7.2	9	9.4	0.9	6.3	8	5.3	5.6	10.9	6	3.6	11
St Louis-San Fran Ry	6.4	10	7.7	0.9	4.9	10	4.3	4.4	8.0	9	7.0	9
Southern Pacific	6.3	11	9.0	0.5	5.9	9	4.5	7.0	7.6	10	3.8	10
Burlington Northern	5.4	12	8.2	0.5	5.5	12	4.1	4.8	12.5	4	21.2	1
Chicago Rock Island	def	13	def	1.9	def	13	def	def	2.2	13	D–D	13
Medians	**8.8**		**10.0**	**0.8**	**6.2**		**5.3**	**6.8**	**9.2**		**12.7**	
Truckers												
RLC Corp	26.1%	1	36.5%	1.9	13.2%	6	9.6%	8.5%	8.8%	8	76.0%	1
Leaseway Transportation	24.5	2	23.6	1.5	10.1	5	10.2	4.7	13.4	6	18.8	4
Roadway Express	22.7	3	18.5	0.0	17.2	1	21.5	5.0	16.2	3	16.3	5
Yellow Freight System	22.6	4	12.8	0.1	9.6	3	15.9	3.2	18.4	2	15.2	6

Transportation—Surface

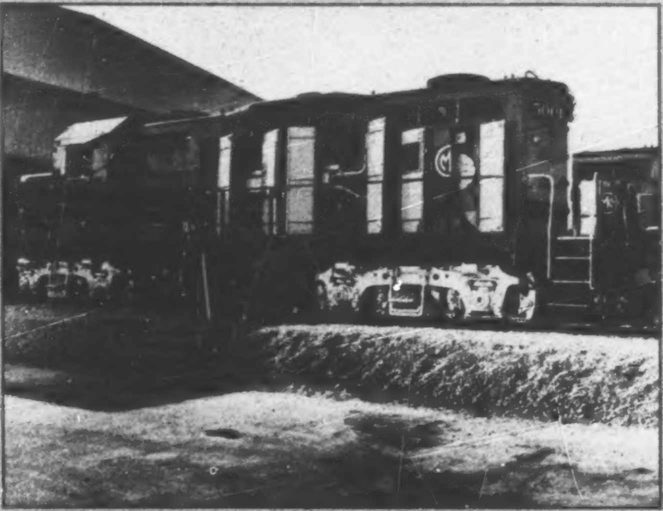
Yardsticks of Management Performance

	Profitability								Growth			
	Return on Equity				Return on Total Capital				Sales		Earnings Per Share	
Company	5-year average	5-year rank	latest 12 months	debt/ equity ratio	latest 12 months	5-year rank	5-year average	net profit margin	5-year average	5-year rank	5-year average	5-year rank
Consolidated Freightways	22.3	5	23.0	0.1	19.1	2	17.4	4.0	13.8	5	20.4	3
Ryder System	20.6	6	23.0	1.6	9.2	7	8.7	4.4	19.4	1	35.0	2
McLean Trucking	15.9	7	5.0	0.8	4.4	4	11.4	0.9	16.1	4	8.6	7
Allied Van Lines	6.2	8	def	0.9	0.5	8	5.6	def	10.2	7	–7.3	8
Medians	**22.5**		**20.8**	**0.6**	**9.9**		**10.8**	**4.2**	**15.0**		**17.8**	
Other Surface Transportation												
Gelco	21.3%	1	23.9%	4.5	7.0%	5	6.4%	5.2%	66.8%	1	32.8%	2
Transway Intl	19.1	2	20.4	0.3	16.2	1	15.4	3.8	8.9	4	13.9	3
Moore McCormack Res	19.1	3	16.8	0.7	9.8	2	10.8	9.6	22.0	2	50.8	1
Greyhound	12.3	4	15.8	0.7	10.3	3	8.8	2.4	6.1	6	3.1	4
Alexander & Baldwin	9.2	5	10.1	0.5	7.5	4	7.8	7.3	8.2	5	–1.1	5
Seatrain Lines	7.3	6	def	20.6	def	6	3.1	def	17.3	3	D–D	6
Medians	**15.7**		**16.3**	**0.7**	**8.7**		**8.3**	**4.5**	**13.1**		**8.5**	
Industry Medians	**11.7**		**12.8**	**0.8**	**7.5**		**6.9**	**4.8**	**11.8**		**13.9**	
All-Industry Medians	**15.1**		**16.7**	**0.4**	**11.3**		**11.0**	**5.3**	**13.1**		**13.1**	

Note: Explanation of Yardstick calculations on page 51.

‡Four-year growth. D-D Deficit to Deficit. def Deficit.

Economy model



Compared with trucks, railroad trains are a fuel-efficient means for moving freight. The railroads claim they get 220 revenue-ton miles per gallon *vs.* only 70 for trucks. Nevertheless, rising fuel oil prices are a serious problem for the low-profit railroad industry. Its fuel costs have risen from 38 cents a gallon to 73 cents since last January, and $1 a gallon is probably not far off. Since the rail industry uses 4 billion gallons a year, we are talking about big money. At $1 a gallon, the industry's fuel bill will have risen $1.1 billion in just six months or so. Compare this with the estimated $500 million the entire industry earned in 1979.

Railroaders say they are doing the best they can to cut back on fuel by using the 20-year-old concept of the unit train—strings of cars hooked together and never broken up—larger and more easily handled boxcars and hoppers and lighter piggyback trailers.

Cutbacks in fuel use by locomotives have lagged. But help is on the way. Morrison-Knudsen says its fuel-saver remanufactured locomotive *(see photo)*, designed for branch lines and yard service, will save 10% of the cost of fuel (roughly $40,000 a year). At the other end of the spectrum, General Motors has revealed that within a year a new turbocharged engine will power a mainline locomotive, complete with radar and special traction gadgets. GM concedes this model should save 3.3% of today's fuel cost. But that's because this engine, like most of the other 27,900 locomotives in service around the country, is already pretty fuel-efficient.

These new, turbocharged engines could take perhaps as much as five or more years to have much impact. In the last two years the railroad industry has bought or rebuilt a record 4,000 or so locomotives, but, needless to say, financing has been a problem.

So railroads are looking toward small fuel savings through such things as improved refueling techniques and even alternative fuels. While the effects of the new locomotives and of conservation may seem small, any percentage gain is significant when you consider the enormous total consumption involved.

"Because of greater efficiency in the use of fuel, there will be a gradual shift over to railroads."

The railroads, of course, will need all the freight they can get. This sickest segment of the transportation industry—with no better than a 2.26% return on equity even in good times—has steadily lost share in the intercity traffic market over the past decade, and now has only 35.8% of it, *vs.* 41.2% ten years ago. However, compared with 1978, when the industry was burdened with strikes, last year looked good.

The high price of energy actually benefited railroads with large holdings of natural resources—coal and oil and natural gas. Reflecting this energy play, the stock prices of Burlington Northern, Santa Fe and Union Pacific went up an average of 60% over the past year. The Santa Fe produces about 44,500 barrels of oil a day, about half of which is a heavy oil that brought $5.50 a barrel until deregulation. Now they are getting about $18.

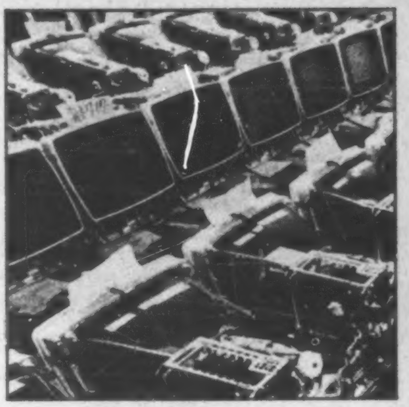
Complete deregulation may not be in the cards, but chances are overwhelming that the country will get increasing doses of it in the future—regulation seems to be an idea whose time has gone.

Railroaders want deregulation, mainly because they want the freedom to abandon unprofitable trackage and manipulate rates. "The railroads would compete a lot better with the trucks if they didn't have to serve all the communities they are serving," says Armellino.

If trends for the first nine months of 1979 hold in the last quarter, railroad earnings will probably be up from $307 million to some $500 million (and might even approach $600 million) this year, even though traffic slowed in the first nine weeks of the fourth quarter, when traffic in automobiles and forest products dropped. Says Downing B. Jenks, president of the Missouri Pacific Railroad, "This year should be about the same as 1979." Efficient roads like the Southern should fare well in 1980.

Complete deregulation of rail and trucking may not be in the cards, but the chances are overwhelming that the country will get increasing doses in the years to come—regulation seems to be an idea whose time has come and gone. Could it be then that the railroads are really on the verge of their long-predicted renaissance? That oil prices and deregulation have changed the odds? That this time the tide really has turned against the truckers? This is an area where predictions are especially dangerous, but it could well happen. ■

Right now it looks as though some IBM problems will give the competitors a reprieve this year. They need it.



Information processing

WHEN WILL THE OTHER SHOE DROP? IBM threw the industry into a pricing uproar last January with its new medium-size computers. The 4300 series did such things as bring Itel to the brink of destruction and cause the price of Amdahl stock to drop 60%. But everyone knows IBM has another shock for the industry—new large-scale computers to go with the medium-size ones. The new series has a name already, the H Series, even though IBM has yet to acknowledge its existence. IBM keeps its plans to itself, but the H Series was supposed to be coming to market about now.

But it isn't—at least not soon. Frank Kline, director of industry studies at International Data Corp., the computer consulting and market research firm, explains the reason:

"IBM is delivering some 4341s using old 16K memory chips instead of the much newer, more dense 64K chips they were supposed to have. To avoid lengthy delivery delays and customer defections, they are buying 16K chips from other semiconductor suppliers. That means they're having important production problems on the 64K chips. They need 64K chips for the big computers, and if they can't supply enough for the medium-size models, how can they hope to supply the big ones when they come out?"

The guessing now is that the other shoe will drop late this year—or early next—but actual deliveries won't come until well into 1981. But, says analyst Gideon Gartner, whose Gartner Group qualifies as one of Wall Street's leading IBM-watchers through its association with Dillon Read, don't look for the reprieve to have spectacular effects on the bottom line for the competition. IBM has been cutting sale prices much more than lease rates on its existing large computers. Says Gartner: "I think margins in general peaked in 1979, and will be under pressure in 1980." Gartner expects IBM, however, "will be starting to come out of the technical problems caused by its new product introductions. It will be coming down the

The doctor's winning formula

In his plain office in Wang Laboratories headquarters, reserved Dr. An Wang flips through customer letters, unusually chatty after his recent analysts' meeting. "You know, IBM was 1,000 times bigger than us ten years ago. This year they will be only 50 times bigger," he jests, smiling behind his pipe. "Exponentially, we're gaining on them."

"The doctor," as everyone at his company refers to him, is a spare, bright-eyed CEO who taught at Harvard and did pioneering work on magnetic core memory, the basis for all modern computer technology. He founded the company in 1951.

Wang Labs is the exuberant little guy among the computer giants. Its word and data processing systems with CRT displays, its virtual storage systems and two new hybrid systems that combine word and data processing help Wang perform spectacularly. Stock bought in October 1977 for $10 a share was worth $66 after last June's stock split.

In fiscal 1979 (June 30), revenues climbed 62% to $322 million, earnings 83% to $29 million, or $1.17 a share. With a $163 million backlog—in this recession year—Wang should earn over $1.60, up 37%. No wonder Wang could sell over a million new shares to the public in August, even though the computer securities were under pressure from IBM's earnings weakness and huge debt offering.

The doctor is a dominant force, but he is surrounded by strong managers and a young, aggressive staff. Number two man John Cunningham, 36, is a burly, candid M.B.A. with a South Boston accent who explains, "We work hard to create an atmosphere where good people can motivate themselves—it's one of the hottest development atmospheres around."

In 1972 Wang's main market was calculators. When the bottom fell out, the company moved up to small business computers and word processors. In 1976 two top managers split over whether the company should pursue word or data processing. The doctor gave them both the okay. But they had to use most of the same components. So Wang was first to offer integrated office-of-the-future systems.

Dr. Wang wants to be sure of getting good people. His family organized the Wang Institute of Graduate Studies. "The schools just aren't turning out the practical, development-oriented people we need," he says.

Meanwhile, Wang's overseas operation got massacred last year, generating 33% of revenues but no profit. As Cunningham told analysts: "We just didn't have the hands-on guidance we have here." Even so, the company brought 8.9% of revenues down to net—24.4% of North American revenues. Imagine if Europe starts making money, too.

learning curve of production at the factory, and will finally be shipping the [new] 4300s in quantity. The other manufacturers still have to cope with their versions of those problems—they lag IBM in the cycle—and cope with the 4300 at the same time." Which is just another way of saying that IBM, as usual, has the competition jumping just to keep up. Again excepting IBM with its new product, 1980 promises to be a relatively slow year in the computer business. International Data Corp. is forecasting only a 12% or so increase in shipments for the industry—slow growth by computer standards. Harry Edelson, the normally exuberant computer and telecommunications analyst for Drexel Burnham Lambert, is predicting earnings gains this year only in the 10%-to-15% range for IBM, Burroughs, Control Data and NCR—and less than 5% earnings gain for more cyclical Honeywell.

Software and services in many small systems cost as much as or more than the hardware. The time is not far off when software will become more than 50% of most systems—perhaps within five years.

This year is just another way station on the route as the computer technological revolution continues to transform society and, in the process, continually transforms itself. Take the apparent IBM push in mainframe computers. "The other mainframers are being crowded by IBM on several fronts," asserts Gartner. "Data security, mass storage systems, nonimpact printers—the whole industry benefits from explosive demand growth, yet I see no reason why that trend should reverse in the foreseeable future, not if IBM is spending $1.1 billion a year on research and each of the others is spending $150 million, and if IBM is getting more pragmatic about some of its blue-sky, dead-end projects.

"The others will be less successful proselytizing users and have to look to their existing customer bases. They will have to develop specialized niches of their own, where they can hold on to and remain competitive against IBM. If you're a Burroughs, and your mainframe business, net of loss to IBM and others, is growing around 8%, maybe you can develop enough diversification both internally and externally to bring your corporate growth rate up to 14%. But as you do, the part growing at 8% will gradually become less of the whole."

So Control Data already concentrates on computer services as well as the very large scientific computers; NCR concentrates on retail-chain systems; and Honeywell pushes ever harder into the minicomputers and distributed-processing

Information Processing

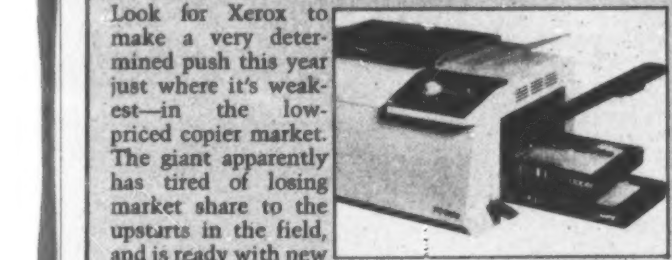
Yardsticks of Management Performance

	Profitability								Growth			
	Return on Equity				Return on Total Capital				Sales		Earnings Per Share	
Company	5-year average	5-year rank	latest 12 months	debt/ equity ratio	latest 12 months	5-year rank	5-year average	net profit margin	5-year average	5-year rank	5-year average	5-year rank
Computers												
Computer Sciences	41.0%	1	31.5%	1.2	16.1%	7	15.6%	4.3%	16.4 %	9	D-P	
Amdahl	32.3††	2	17.4	0.2	15.8	1	36.7††	9.9	**		**	
Storage Technology	27.2	3	32.6	0.6	21.9	6	16.0	8.6	44.8	2	53.7%	1
Data General	24.0	4	24.5	0.3	20.7	2	23.1	9.8	49.5	1	39.6	3
IBM	21.9	5	22.3	0.0	21.8	3	21.2	13.4	13.5	11	13.9	12
Wang Laboratories	21.3	6	31.1	0.9	19.1	10	14.5	8.7	32.3	5	25.5	6
Automatic Data Processing	21.3	7	21.3	0.1	17.9	4	19.9	8.9	29.4	6	22.7	7
Hewlett-Packard	18.0	8	19.6	0.0	18.9	5	17.4	9.1	21.7	8	22.6	8
Digital Equipment	17.0	9	17.4	0.3	14.7	9	15.5	10.1	37.4	3	32.8	4
NCR	16.7	10	17.2	0.3	14.9	12	12.5	7.9	8.7	14	42.1	2
Itel	15.3	11	def	2.6	def	15	7.8	def	34.9	4	29.6	5
Burroughs	14.5	12	15.0	0.1	13.5	11	12.5	10.6	13.8	10	16.0	9
Sperry	14.2	13	15.1	0.3	10.9	13	10.3	5.6	10.3	13	14.8	11
Honeywell	12.3	14	16.7	0.2	12.7	14	9.2	5.8	7.4	15	11.6	13
Control Data	7.4	15	11.0	0.4	8.6	16	6.0	3.8	13.0	12	16.0	10
Memorex	**		26.2	0.7	12.9	7	15.6	5.8	27.1	7	D-P	
Medians	**18.0**		**18.5**	**0.3**	**15.4**		**15.6**	**8.7**	**21.7**		**23.7**	
Copiers & Office Equipment												
Savin	44.7 %	1	52.3%	0.9	34.3%	1	32.5 %	11.2%	31.1%	1	68.8%	1
Pitney-Bowes	19.0	2	21.6	0.4	15.0	4	13.0	6.1	13.0	5	35.4	2
Moore Corp	18.3	3	20.0	0.2	16.0	3	13.9	6.9	15.4	4	9.7	3
Xerox	17.8	4	19.1	0.3	16.3	2	14.4	8.1	15.5	3	9.0	4
Nashua	14.6	5	21.7	0.3	16.9	5	10.9	4.4	17.6	2	8.1	5
AM International	2.1	6	0.6	0.4	1.9	6	2.7	0.2	6.8	6	-12.8	6
Bell & Howell	def	7	def	0.3	def	7	0.0	def	5.8	7	P-D	7
Medians	**17.8**		**20.0**	**0.3**	**16.0**		**13.0**	**6.1**	**15.4**		**9.0**	
Industry Medians	**17.8**		**19.6**	**0.3**	**15.8**		**14.4**	**7.9**	**18.0**		**19.3**	
All-Industry Medians	**15.1**		**16.7**	**0.4**	**11.8**		**11.0**	**5.3**	**13.1**		**13.1**	

Note: Explanation of Yardstick calculations on page 51.

††Three-year average. P-D Profit to Deficit. D-P Deficit to Profit; not ranked. def Deficit. **Not available; not ranked.

Fallout for Xerox from a falling out?



Look for Xerox to make a very determined push this year just where it's weakest—in the low-priced copier market. The giant apparently has tired of losing market share to the upstarts in the field, and is ready with new low-priced copiers of its own.

Meanwhile, the upstarts, Savin Corp. and Nashua Corp., and their Japanese supplier, Ricoh Co., have ended the agreement by which the three split the world up three ways to market the Savin-designed, Ricoh-built machine. Now the three will be battling among themselves. Savin, which is a dwarf next to Xerox ($300 million revenues *vs.* more than $6 billion), will have to learn how to manufacture its own copiers. Nashua has an even tougher problem though it is twice as large as Savin. It will not only have to manufacture a machine but also have to build up a U.S. sales network. (Nashua's contribution was a sizable overseas sales net.) Meanwhile, Ricoh is throwing away its best marketing channels in breaking with the two companies.

So it looks like Xerox may have a shot at this market, too.

fields, which are hot now and where IBM is just becoming aggressive.

The cost per unit of computing power drops 15% a year, except for years like 1979 when it drops faster, while the cost of associated software and services slowly rises, being labor-intensive. Consequently, the very area IBM itself seems to be pushing hardest, mainframe hardware, is gradually declining in *relative* economic importance. Already, software and services in many small systems cost as much as or more than the hardware. Overall, they now average about 35% to 40% of a systems package (though only 5% to 10% is expressly billed as software and maintenance to the user). The time is not far off when the lines will cross and software will become more than 50%—Gartner guesses well within the next five years. Then the big dollars in the computer business will more and more be found in the peripherals, the software and the services. Even for mainframer IBM, maybe $7 billion of its 1983 $33 billion of revenues in data processing will be software.

This swing toward software is creating a serious bottleneck. Only 19,000 electronics engineers came out of school last year, while 32,000 were needed, mostly in software applications. One main reason minicomputers—and hence producers like Data General and Digital Equipment—are growing perhaps 25% a year instead of even more is their inability to supply enough kinds of software and services for all the possible applications.

Another pressing problem is communications: the simple transmission of data from one place to another, terminal to computer or computer to computer. Already the cost of leased telephone lines is burdensome to owners of far-flung systems—people like Sears, Roebuck and Ford Motor. That's why IBM and others have got together to offer satellite systems to bypass the phone lines (FORBES, *Nov. 1, 1977*).

Progress in both these areas should mean further growth for service companies like Automatic Data Processing and Computer Sciences. A subindustry of tiny software "boutiques" may emerge to go with the estimated 3,000 small-systems companies that already exist.

Meanwhile, what of the plug-compatible producers (whose equipment fits with IBM's)? Those that can survive the current price revolution will have a bright future. "Users will always want to second-source IBM," points out Gartner, who can see himself recommending Amdahl again one of these days—though not now. "Maybe after they respond to the H Series. It's not a question of their survival," he says. "It's just that earnings per share may well get worse for them before they get better."

How far will the technology advance? The makings for the next eight or ten years are already working in the labs. This next generation will incorporate so-called Josephson junctions, which will multiply computing power by using the superconducting properties of certain metals cooled to near absolute zero. Electron-beam masking technology has been developed, and should shrink the size and hence the inherent costliness of a processing unit by another order of magnitude, that is, by another factor of ten. We have already come down four or five orders of magnitude from the early postwar days of the first vacuum-tube ENIAC, and there are at least three more to go before the laws of quantum mechanics call a halt to the advance.

Meanwhile, the surface has only been scratched in finding new ways of exploiting existing technology, never mind ways to use the new. ■

Even a moderate recession might well deliver a devastating blow to some middle-level retailers.

Retail distribution

Howard Davidowitz, the man in charge of national retail consulting services for the accounting firm of Ernst & Whinney, puts a few forkfuls of food into his mouth, swallows and talks about what it will take to survive as a retailer. "The businesses that are most threatened now," he says, "are the medium-size guys who don't have access to financial markets, high promotion and high talent. They will be aggressively acquired by Americans and foreigners, if only from the perspective of its being cheaper to buy than to build." Davidowitz chomps on his cigar and goes on. "To stay put and do business as usual is the most dangerous thing that management can do," he says. "What they have to do is get up and get going, or sell out fast if they can't stomach it."

Retailing is changing as big companies get bigger in what is a slow-growth industry. The 28 largest general-merchandise retailing companies now account for 41% of the sales dollar, up from 36% in 1974. For the most part, those gains come out of someone's hide, rather than from an expanding market. "It's like being in the brokerage business," says Stuart Robbins, a retail industry analyst with Paine Webber Mitchell Hutchins. "You have to climb over the dead bodies to get ahead." Mighty Sears, Roebuck can testify to that: A good part of K mart's gains came from Sears' hide.

If Sears is vulnerable, how much more so are some middle-size retailers and specialty chains, which are facing increasing competition from the big boys who are pushing to keep their

Retail Distribution

Yardsticks of Management Performance

	Profitability								Growth			
	Return on Equity				Return on Total Capital				Sales		Earnings Per Share	
Company	5-year average	5-year rank	latest 12 months	debt/ equity ratio	latest 12 months	5-year rank	5-year average	net profit margin	5-year average	5-year rank	5-year average	5-year rank
Department Stores												
Dayton Hudson	23.1%	1	20.6%	0.3	17.0%	1	16.1%	5.1%	13.7%	2	31.8%	1
Mercantile Stores	15.5	2	14.7	0.4	10.8	3	12.6	4.1	12.2	5	12.5	6
Federated Dept Stores	14.7	3	13.1	0.2	10.9	2	13.2	3.5	12.6	4	10.4	8
R H Macy	14.7	4	18.4	0.5	12.7	6	9.7	4.0	9.7	9	15.7	4
Allied Stores	14.0	5	13.7	0.6	9.6	8	9.4	4.0	6.4	14	19.4	3
May Dept Stores	13.7	6	13.8	0.7	9.1	9	9.0	3.6	10.5	7	13.7	5
Garfinckel Brooks Bros	13.4	7	14.6	0.8	9.6	7	9.6	3.6	10.3	8	8.5	9
Carson Pirie Scott	13.0	8	12.7	0.7	8.2	11	8.4	2.9	5.8	15	19.6	2
J C Penney	12.9	9	10.5	0.4	8.3	4	10.9	2.2	11.3	6	8.2	10
Carter Hawley Hale	12.8	10	13.2	1.0	7.7	12	8.4	2.9	13.6	3	5.8	13
Sears, Roebuck	12.6	11	12.3	0.3	10.1	5	10.5	5.0	7.8	11	6.1	11
Strawbridge & Clothier	10.7	12	10.4	0.7	7.3	10	8.5	3.2	9.3	10	11.0	7
Dillard Dept Stores	9.9	13	10.0	1.6	5.6	16	6.6	1.9	19.3	1	5.9	12
Gamble-Skogmo	9.3	14	10.4	2.1	7.0	14	6.9	1.1	5.1	17	–0.1	16
Associated Dry Goods	8.9	15	8.7	0.3	7.1	13	7.4	2.5	7.8	11	0.6	15
Marshall Field	8.1	16	8.6	0.4	6.2	15	6.8	2.4	7.6	13	–0.8	17
Alexander's	7.1	17	6.3	1.2	4.6	17	4.6	0.9	5.4	16	4.1	14
Goldblatt Brothers	0.1	18	def	1.0	def	18	1.4	def	3.8	18	–47.0	18
City Stores	def	19	def	0.9	def	19	def	def	–1.4	19	D-D	19
Medians	**12.8**		**12.3**	**0.7**	**8.3**		**8.5**	**2.9**	**9.3**		**8.2**	
Discount & Variety Stores												
Wal-Mart Stores	30.4%	1	27.7%	0.8	17.7%	1	22.1%	3.1%	40.2%	1	35.7%	1
Caldor	23.9	2	26.2	1.3	13.5	2	16.9	3.5	22.3	2	21.5	3
K mart	20.1	3	18.9	0.8	12.5	3	15.8	2.9	20.2	4	21.5	3
Kings Dept Stores	19.7	4	18.0	1.0	10.5	4	15.5	2.8	12.2	8	13.8	5
Household Finance	15.7	5	17.4	2.0	7.2	9	7.3	3.7	12.4	7	9.0	8

volume up and are becoming nationwide companies. With little growth in the market, merger and acquisition becomes the chief road to fast expansion by the big chains. Thus, last year May Department Stores swallowed Volume Shoe Corp., and Allied gobbled up 12 Bonwit Teller stores.

High interest rates and rapidly rising construction and operating costs have made building big new stores costlier than ever, which makes it harder for the marginal companies to stay even. "With interest rates at alltime highs, 1980 will not be a year for major store renovations or capital expenditures that require long-term payout," says Angelo Arena, president of Chicago's Marshall Field.

> ***"With interest rates at alltime highs, 1980 will not be a year for major store renovations or capital expenditures that require long-term payout."***

Shortage of capital is causing some retailers to look to unorthodox ways of raising money. Dayton Hudson Corp. sold its shopping centers to raise cash for expansion—a deal that brought in so much more than book value that it made Dayton Hudson the five-year leader in return on equity.

In this unsettled situation, the 1980 recession is certain to cause casualties. For two years now, retailers have expected a slowdown, but it hasn't arrived. This time it is almost certain that, early in 1980, big heating bills (especially in the Northeast), a drop in consumers' real income and the Fed's credit-tightening will combine to prevent consumers from continuing the buying that kept retailers going in 1979. According to the Gallup Organization's Jay Schmiedeskamp, "People are just plain out of money, and that causes a cutback across the board."

Assuming that the recession does not turn into a depression, however, stores at the higher-priced end of the retailing spectrum should hold up fairly well. "Our specialty stores are really flying high," says David Waters, CEO of Garfinckel, Brooks Brothers, Miller & Rhoads, not exactly at the low-priced end of the business. W.A. Andres, chairman of Dayton Hudson, says, "Consumers will limit their purchases to high quality merchandise, but they will be getting along with one good suit rather than two of lesser quality."

Inflation has changed people's attitudes toward money. They would rather hold objects than money. But they aren't

Retail Distribution

Yardsticks of Management Performance

	Profitability								**Growth**			
	Return on Equity				Return on Total Capital				Sales		Earnings Per Share	
Company	5-year average	5-year rank	latest 12 months	debt/ equity ratio	latest 12 months	5-year rank	5-year average	net profit margin	5-year average	5-year rank	5-year average	5-year rank
Hartfield-Zodys	15.6†	6	16.7	1.9	8.5	5	14.5	1.9	5.0	13	D-P	
F W Woolworth	11.6	7	14.2	0.7	8.8	8	7.9	2.4	11.4	9	9.1	7
Kuhn's-Big K Stores	11.3	8	3.9	1.3	5.1	6	10.5	0.4	21.2	3	2.1	11
Rose's Stores	10.7	9	11.0	0.3	9.5	7	9.7	1.4	10.4	10	9.0	9
Rapid-American	9.8	10	17.1	3.3	6.8	13	5.8	1.5	–0.5	15	24.6	2
Zayre	8.7	11	9.5	1.4	6.3	12	5.8	0.9	7.5	12	6.8	10
Pamida	6.1	12	def	0.5	1.5	10	6.5	def	16.6	6	–9.1	13
G C Murphy	5.6	13	3.6	0.6	3.9	14	5.0	0.7	8.3	11	–3.5	12
Wal-Mart	4.9	14	def	1.7	def	11	6.2	def	19.4	5	–12.7	14
Cook United	3.8	15	6.2	1.1	5.0	15	3.6	1.1	–6.6	16	10.8	6
Vornado	1.6	16	2.7	0.7	3.4	16	2.7	0.6	0.6	14	–22.4	15
Medians	**11.0**		**12.8**	**1.1**	**7.0**		**7.8**	**1.5**	**11.8**		**9.0**	
Drug Chains												
Longs Drug Stores	22.9%	1	21.3%	0.0	21.3%	1	22.9%	3.6%	18.4%	6	17.4%	7
American Stores	20.4	2	22.7	0.5	17.7	4	16.9	1.7	25.2	2	24.2	1
Rite Aid	20.1	3	21.6	0.2	16.7	3	17.2	4.1	20.8	5	23.7	2
Pay'n Save	20.0	4	17.0	0.8	11.9	5	16.4	2.8	27.6	1	22.1	3
Revco D S	19.9	5	20.5	0.2	17.3	6	16.1	3.6	25.0	4	20.4	4
Pay Less Drug NW	19.3	6	18.3	0.8	11.3	7	15.4	3.0	16.8	7	18.0	6
Jack Eckerd	18.8	7	18.1	0.0	17.4	2	18.2	4.4	25.2	2	18.4	5
Sav-On-Drugs	14.3	8	16.0	0.2	13.9	8	13.3	2.2	14.1	8	12.7	8
Walgreen	13.9	9	19.7	0.5	13.8	10	9.8	2.3	6.7	13	11.7	9
Gray Drug Stores	11.9	10	7.8	1.4	6.1	11	9.6	0.9	10.4	11	7.7	10
Thrifty Corp	11.0	11	15.1	0.5	12.8	12	8.8	1.7	12.2	10	4.0	12
Pay Less Drug (Cal)	10.9	12	9.3	1.5	6.1	9	10.2	1.0	12.5	9	2.0	13
Peoples Drug Stores	10.2	13	15.1	0.6	11.0	13	8.4	1.4	9.2	12	7.2	11
Medians	**18.8**		**18.1**	**0.5**	**13.8**		**15.4**	**2.3**	**16.8**		**17.4**	
Specialty Retailers												
Tandy	42.0	1	45.7	1.1	23.6	3	27.2†	7.1	27.3	4	56.2	2
Service Merchandise	39.3	2	26.5	1.3	13.8	5	25.1	3.3	47.2	1	55.7	3
Avon Products	32.4	3	32.9	0.0	32.7	1	31.4	10.8	11.5	14	10.7	11
Petrie Stores	30.5	4	26.8	0.0	26.7	2	30.5	10.7	17.2	7	23.6	8
Melville	28.6	5	26.3	0.2	24.5	4	26.4	4.8	19.0	6	21.7	9

If Penney's goes, can Sears be far behind?

One of the traditions of American retailing has been that national department store chains accept only their own credit cards. That policy, started long before bank cards became popular, helped Sears become the nation's largest retail credit card issuer, and made the card a good sales tool binding the customer to the chain. Also, when money was cheap, having their own cards gave retailers a nice interest income on the side. Not only did the store make money selling you merchandise, but it turned a dollar on the financing, too.

But the days of major department store chain exclusivity may be ending soon, thanks to 13% short-term money and a decision by J.C. Penney—the number two department store chain behind Sears—to start accepting Visa cards at all its stores. Penney's, with more than $2.6 billion in card credit outstanding, began taking Visa in October and hopes to start taking Master Charge this year.

Why did Penney give in? Paul Kaltinick, a Penney vice president, says that by accepting Visa cards the company will have a sales tool that will take market share away from other chains. "We felt we were missing too much business" by not taking bank cards, he said.

Another reason for the change, of course, is that taking bank credit cards sticks the banks with the financing problems. Money costs 13%-plus, one-third of your customers get a free ride by paying their bills in full, the others pay an average of 15% interest and maybe 3% are deadbeats. You can drop a lot of money on this kind of financing. "Our objective has been to try to break even on the credit and make our money on the merchandise," Kaltinick says. In fact, he adds, Penney's credit card operation "is a loss center at the moment."

Penney also has less to lose from an erosion of credit card business than major rivals Sears and Montgomery Ward. Penney came late to credit cards—it only began offering them in 1958—and does under 45% of its sales on credit, compared with 55% to 60% for other major chains.

It's too early to tell how much of Penney's Visa business will come at the expense of Penney's own credit card. Because the saving from handling fewer transactions with its own card is almost nil, any erosion of Penney's credit card business would raise the per-transaction cost. Kaltinick won't say how much it cost Penney to handle its own card, but asserts it is less than what Visa is charging—4.3 cents per ticket plus 1.08% of the sales ticket price.

Discounters, most notably K mart, began accepting bank credit cards years ago, deciding there was more money to be made selling merchandise than financing it. Sears and Montgomery Ward are now test marketing bank cards. It probably won't be long before *everyone* takes them.

Retail Distribution

Yardsticks of Management Performance

	Profitability								**Growth**			
	Return on Equity				Return on Total Capital				Sales		Earnings Per Share	
Company	5-year average	5-year rank	latest 12 months	debt/ equity ratio	latest 12 months	5-year rank	5-year average	net profit margin	5-year average	5-year rank	5-year average	5-year rank
Best Products	26.5	6	28.4	1.2	15.2	6	21.4	3.7	42.7	2	48.6	4
Edison Bros Stores	25.8	7	25.5	0.2	20.9	7	21.3	6.2	13.7	9	26.0	6
SCOA Industries	25.7	8	28.3	1.0	17.0	10	15.3	2.7	15.1	8	68.9	1
Modern Merchandising	24.5	9	17.8	1.2	10.1	8	17.6	2.6	34.5	3	32.3	5
Morse Shoe	19.1	10	19.0	0.2	16.2	9	17.1	4.2	12.4	13	25.9	7
Gordon Jewelry	15.4	11	20.9	0.3	18.0	11	12.9	7.5	13.7	10	16.9	10
Beneficial Corp	13.6	12	14.2	2.5	6.1	19	6.3	5.1	6.7	18	4.0	17
Saga Corp	13.0	13	2.7	1.1	3.9	12	11.0	0.2	20.0	5	5.9	15
ARA Services	12.6	14	13.7	0.4	10.7	15	9.8	2.6	12.5	12	6.8	13
Brown Group	12.2	15	15.6	0.3	12.8	14	9.9	3.5	9.6	16	5.5	16
Levitz Furniture	11.8	16	19.1	1.3	10.6	17	8.0	3.8	9.9	15	7.2	12
Lane Bryant	11.6	17	10.1	0.1	8.7	16	9.8	2.5	4.6	19	3.2	18
Zale	10.8	18	12.5	0.2	11.2	13	10.0	4.8	9.5	17	6.2	14
Wickes	9.5	19	16.2	1.0	9.3	18	6.4	1.9	12.8	11	3.1	19
Genesco	def	20	12.5	1.6	7.0	20	def	1.1	–4.4	20	D-D	20
Toys "R" Us	**		24.5	0.7	16.1		**	5.2	**		**	
Medians	**17.3**		**19.1**	**0.7**	**13.8**		**14.1**	**3.8**	**18.3**		**18.8**	
Industry Medians	**13.3**		**15.1**	**0.7**	**10.1**		**9.9**	**2.8**	**12.3**		**10.4**	
All-Industry Medians	**15.1**		**16.7**	**0.4**	**11.8**		**11.0**	**5.3**	**13.1**		**13.1**	

Note: Explanation of Yardstick calculations on page 51.
D-D Deficit to Deficit. D-P Deficit to Profit; not ranked. def Deficit. **Not available; not ranked.

interested in changing money for goods that will soon wear out. So, when they can, they upgrade their purchases—and don't hesitate to borrow to do so. Says S.L. Feldberg, chairman of Zayre, "These young people can live with higher levels of debt than I or my wife did at their age. They carry it around with them all the time, with bank cards and all."

But while use of credit may not bother the Me generation, credit costs are tough on retailers, who need cash to carry inventories and finance expansion. Throughout the industry, therefore, companies are becoming more operations-conscious, because making present operations tighter can now be more profitable than expanding. Take Dayton Hudson again. In 1978, the company announced plans to close its long-losing downtown Detroit store, which for years had been kept open on the basis of hope and civic do-gooding; last year it sold its Team Electronics operation, the company Dayton Hudson President Stephen Pistner founded and sold to DH, and it began using computers to schedule sales personnel, hoping to have fewer people on the selling floor during periods of low traffic. "Stores that don't use computers now will be in the same position as stores that didn't move into the suburbs after World War II," says Andres.

> ***"Ten years ago there was Federated and then there was everyone else running by the seat of their pants. Now everyone knows how to get good management. So companies are becoming similar from the operations standpoint."***

David Taylor, an analyst with Donaldson, Lufkin & Jenrette, says the quality of management has risen sharply. "Ten years ago," he says, "there was Federated and then there was everybody else, running by the seat of their pants. Now everyone knows what to do to have good management. The result is that you are finding a group of companies becoming similar from the operations standpoint."

But what was great during a period of 7% debt and rising real income may not work during times of 17% debt and falling real income. Walter F. Loeb of Morgan Stanley & Co. predicts that overall earnings will range from flat to a 5% increase in 1980 from 1979's figures. But don't be deceived by that figure; within the industry there may well be some severe declines and even bankruptcies—perhaps not on the scale of the W.T. Grant debacle but sizable nonetheless. For the middle range of retailing companies with mediocre management and without strength, time may be running out. ■

People spend for fun even in the worst of times—but on what? *You can only guess and then go with it.*

Leisure

THE KEY TO ANALYZING the leisure industry is the ability to predict taste, and nowhere is that more important than at the very high end of things. It is now well known that even in a recession-bound economy people are willing to spend $100 for a pair of roller skates. And while the new breed of roller-skate entrepreneurs explain the sport's popularity as part of the health craze or a cheap new form of commuting, don't buy that. Born on the trendy boardwalks that line Venice, Calif., roller-skating in 1979 was *the* avant-garde sport. It was a form of advertisement that told your friends you were part of the disco set, a "with-it" person.

Understanding the so-called recreation industry's future is more than tracing the course of disposable income, consumer prices and economic indicators—there's also the indefinable matter of taste that defies quantification. Nevertheless, real disposable income is the key statistic in deciding the fate of this industry because that's where the money comes from for recreational expenditures. The fact that real disposable income has declined 3% since June 1978 means it is back at mid-1976 levels. It also means that some parts of the industry will be hurt. The trouble is that there is no way of knowing who will be hurt—other than it will not be the most luxurious or the cheapest items.

"People have been reacting differently to inflation over the last couple of years," notes economist Dr. F. Thomas Juster, of Michigan's Institute for Social Research in Ann Arbor. "They have learned from previous bouts with inflation that the world does not fall apart completely and they are aware of the fact that inflation generates speculative buying opportunities. They'll still buy something like a sailboat or a pair of skis, which they know will only cost lots more if they wait to purchase it." Adds consultant Don Mitchell of Mitchell & Co., "It's not a practice of 'price be damned' but more a feeling that if it's a self-satisfying purchase that adds to the quality of life, it makes sense. Sure, it could be deferred, but if it's high quality, why defer?" This, of course, is pure Me-generation economics.

Music man

Ask Kal (né Solomon) Rudman about what's happening to the pop music industry and he tells you about a 70-year-old violinist who has worked most of his life as a recording studio musician. For maybe four decades, Rudman goes on, the fiddler has been playing tracks to augment pop performers—swing in the Thirties, bop in the Forties, Sinatra in the Fifties, rock 'n' roll in the Sixties and disco in the Seventies.

"But the music is always the same," says the awesomely energetic publisher of *The Friday Morning Quarterback*, a newsletter that tracks what records radio stations are playing and fans are buying. "Over the years," reflects Rudman, who got into music as a disc jockey in high school in Philadelphia, "all that has really changed is the beat."

Now almost 50, the onetime medical student and teacher has been turning out his idiosyncratic publication since 1958. Every week on Tuesday and Wednesday he, his wife and his staff, including part-time high school kids, receive maybe 1,000 phone calls from U.S. radio stations reporting on what is selling and, therefore, what they add to or remove from their play lists. By Friday morning Rudman has assimilated the reports and leavened them with conversations with the two major record rack-jobbers. Then he writes the *Quarterback*.

Though industry people often call Rudman's publication a radio tip sheet, it probably is as valid a mirror of current record sales as any of the major trade magazines ("better," Rudman immodestly insists). Neither Rudman nor anybody else in the business can be sure whether he is just reflecting current trends or setting them for those stations who simply play what he says their markets are buying.

In the 1980s, he says, the aging youth market will go more for soft love ballads: "Barry Manilow is going to be king." And the 18-to-25s will want heavy rock 'n' roll, the early 1960s revival music that actually is called New Wave by the industry, "middle-of-the-wave" by Rudman.

"The industry will produce the music radio wants," he says. His red-covered publication ("only the best copiers can rip it off") may be one of the world's most profitable.

Some 4,000 subscribers pay $250 a year, but the big money comes from record ads. At $2,000 a page, advertising, together with circulation, produces a gross of around $5 million and a pretax net estimated as high as $2 million.

It helps explain why luxury items continue to sell well even in recessions.

What's been happening to the family night out—grabbing a burger and seeing a flick? Consumers are balking at spending more than $25 to take the kids out for such an ordinary evening. That's one reason why 1979 movie admissions were down 2%. Yet another was the relatively poor quality of the 1979 offerings, which had the movie moguls straightening their ties and digging deeper into their pockets. This year's array of film epics made at $30 million budgets includes Disney's first PG film, *Black Hole*, and *The Empire Strikes Back*, the 20th Century-Fox sequel to *Star Wars*, the most successful film to date. A Universal/Columbia film, *1941*, was said to be the most costly comedy ever made, yet when it was screened

Leisure

Yardsticks of Management Performance

	Profitability								Growth			
	Return on Equity				Return on Total Capital				Sales		Earnings Per Share	
Company	5-year average	5-year rank	latest 12 months	debt/ equity ratio	latest 12 months	5-year rank	5-year average	net profit margin	5-year average	5-year rank	5-year average	5-year rank
Travel												
Loews	22.4%	1	22.3%	0.7	11.8%	2	9.6%	4.3%	33.3%	1	24.3%	2
Hilton Hotels	21.9	2	30.0	0.6	20.7	1	14.3	18.9	4.3	5	31.9	1
Marriott	12.7	3	16.0	0.7	9.7	4	7.3	4.7	18.7	2	15.6	3
Holiday Inns	10.3	4	9.2	0.6	7.1	3	7.4	4.5	6.0	4	4.0	4
Ramada Inns	5.7	5	8.7	1.8	4.7	5	4.1	3.8	14.6	3	–9.4	5
Medians	**12.7**		**16.0**	**0.7**	**9.7**		**7.4**	**4.5**	**14.6**		**15.6**	
Entertainment												
Columbia Pictures	64.3%	1	12.0%	0.5	17.9%	3	17.9%	6.0%	13.5%	7	D–P	
MGM	27.8	2	31.9	0.9	18.6	4	16.2	12.5	14.0	6	46.2%	1
Twentieth Century-Fox	24.8	3	22.6	0.5	16.9	2	18.2	8.5	17.1	5	D–P	
MCA	24.5	4	19.8	0.0	17.6	1	23.0	10.5	18.5	1	30.7	2
Warner Communications	21.7	5	25.5	0.6	16.7	5	12.7	6.3	18.1	2	19.3	3
General Cinema	20.6	6	21.2	1.0	12.5	6	12.7	4.2	17.7	3	17.8	4
Walt Disney	12.1	7	13.1	0.0	11.9	7	10.7	14.3	17.1	4	17.2	5
Medians	**24.5**		**22.0**	**0.5**	**16.9**		**16.2**	**8.5**	**17.1**		**19.3**	
Recreation												
Tandy	42.0%	1	45.7%	1.1	23.6%	1	27.2%†	7.1%	27.3%	3	56.2%	1
Mattel	38.4	2	15.7	0.4	15.4	6	17.4	4.3	7.3	12	D–P	
Coachmen Industries	25.3	3	def	0.1	def	2	23.1	def	39.5	1	36.1	2
Parker Pen	23.8	4	29.1	0.1	27.3	3	21.9	5.6	33.9	2	26.7	3
Franklin Mint	22.6	5	16.0	0.1	13.6	4	18.6	5.8	24.1	4	15.6	5
Bally Manufacturing	21.9	6	26.3	0.5	19.1	7	16.4	10.7	24.0	5	18.2	4
Eastman Kodak	18.8	7	21.4	0.0	20.2	5	17.7	13.4	11.8	8	7.7	10
Fleetwood Enterprises	13.8	8	13.4	0.0	13.3	8	13.8	2.2	17.5	6	8.6	8
American Greetings	13.7	9	14.2	0.3	10.8	9	10.8	6.1	11.3	9	8.4	9
AMF	12.8	10	13.4	0.5	9.6	13	8.9	3.7	7.2	13	–1.8	14
Del E Webb	10.8	11	9.2	0.8	10.3	12	9.9	2.1	6.4	14	11.3	6
Polaroid	10.7	12	5.5	0.0	5.5	10	10.7	3.6	13.6	7	10.5	7
Brunswick	10.6	13	11.3	0.5	8.0	14	8.2	3.9	10.7	10	2.4	11
Skyline	10.5	14	10.8	0.0	10.7	11	10.4	2.8	1.5	17	–7.8	15
Outboard Marine	9.6	15	6.1	0.4	5.4	15	8.0	2.3	9.5	11	–0.5	12
Philips Industries	5.9	16	16.2	0.5	12.0	16	6.5	2.8	4.4	15	–0.7	13
Champion Home	def	17	def	0.1	def	17	def	def	3.6	16	P–D	16
Medians	**13.7**		**13.4**	**0.3**	**10.2**		**10.8**	**3.7**	**11.3**		**8.5**	
Food Service												
McDonald's	25.3%	1	23.1%	1.0	12.6%	3	13.9%	10.0%	26.5%	2	26.7%	1
Denny's	23.3	2	18.1	1.4	10.0	2	14.0	3.6	26.0	3	25.8	2
Host International	16.3	3	21.6	0.7	14.3	5	10.7	4.4	13.8	5	8.9	4
Gino's	13.9	4	12.9	0.5	9.5	6	9.1	2.3	15.3	4	8.4	5
Howard Johnson	13.4	5	12.8	0.6	9.6	4	11.6	5.7	8.9	6	11.3	3
Sambo's Restaurants	9.7	6	def	2.3	def	1	14.4	def	31.7	1	–8.6	6
Medians	**15.1**		**15.5**	**0.9**	**9.8**		**12.8**	**4.0**	**20.7**		**10.1**	
Industry Medians	**16.3**		**16.0**	**0.5**	**11.0**		**12.7**	**4.4**	**14.8**		**11.3**	
All-Industry Medians	**15.1**		**16.7**	**0.4**	**11.8**		**11.0**	**5.3**	**13.2**		**13.1**	

Note: Explanation of Yardstick calculations on page 51.

†Four-year average. P-D Profit to Deficit. D-P Deficit to Profit; not ranked. def Deficit.

late last year the audience reaction was so bad that the film was withdrawn to be reedited. According to Universal Executive Vice President of Advertising David Weitzner, "Big budgets are going to insure not necessarily quality pictures but higher-priced movie tickets."

Fast-food franchisers are facing the same reluctant customer. Traffic was off 9% last year in most outlets. Worst hit was Sambo's, a chain that has been in the midst of reorganization for years and just got another new management team. In 1980 it will be cutting back its unprofitable expansion (an educated guess runs that last year it added 75 stores *vs.* only 10 this year) and is now in technical default on $98 million worth of loans. Even McDonald's, the standard-bearer of the industry, cut some prices. "Last year was the worst year the industry has ever seen. This year won't see any strong recovery," says Robert L. Emerson of Salomon Bros., author of *Fast Food: The Endless Shakeout*. "Even if people go to fast-food places, they're going to trade down for a lower check—chicken for meat, hamburger but not fries. And there's just no variety in going out all the time for the same old burger."

"People have been reacting differently to inflation over the last couple of years.... They are aware of the fact that it generates speculative buying opportunities."

That's the way it has become: You scrimp at McDonald's so that you can buy that fancy pair of skis.

So the real action, obviously, is not in these mundane activities but in those leisure activities that catch people's fancy and give them a psychological lift. What are those items? They vary incredibly. Two decades ago, for instance, when the leisure industry was first broken out as a separate category by FORBES, The Singer Co. appeared as part of the leisure category: Sewing machines were a leisure durable in 1961. Some fun! By contrast, some up-scale status items today: Adidas sneakers at $42 a pair, an annual health club membership for $400, expensive ski equipment from AMF that could run over $400. Sport is now stylish. Take bicycles. Back in the early Seventies the American adult discovered what Europeans had known for years: that bikes weren't just for kids. The hefty old model the paperboy used was abandoned for a lithe, ten-speed, macho racing contraption. But bike sales dropped almost 50% in 1975, and retailers were left with racks of inventory. Now people are buying them again. The current upsurge in sales, two-thirds of which is the lightweight variety, hasn't been affected even by 1979's round of price increases *(see* Forbes, *Dec. 24, 1979)*.

Electronics appears this year as a continuing growth area for toys, because adults have been willing to shell out $20 to $60 for hand-held electronic items like Mattel's Football I and Auto Race. But even with this important new market, as the maker of the Barbie Doll knows, toys are a seasonal, cyclical and faddish market. That's why Mattel has based its turnaround on diversified acquisitions such as Western Publishing Co., which would have reduced toys' contribution to its earnings from 91% to 65% for fiscal 1979.

The ultimate escape destination, says Merrill Lynch entertainment industry analyst Harold L. Vogel, is a trip to Las Vegas. "People cut back on just about any vacation but that one," says Vogel. "There is an entertainment element in gambling that helps people in times of economic distress." That self-destructive form of enjoyment has helped Hilton Hotels Corp., the owner of two casino-hotels in Nevada, produce a 30% return on equity last year and average earnings growth over the past five years of 31.9%. Marriott Corp. is not so lucky, because it has no gambling facilities. Instead, it is trying to offer something extra to the nonbusiness traveler. "You've got to get the weekend guy. That's what the hotel business is all about today," says Al LeFaivre, regional vice president for Marriott Hotel Division. He points to Marriott's newest operation in Chicago, a 1,200-room hotel that offers the traveler a 9-hole putting green, a 12-meter swimming pool, saunas, platform tennis—all on the premises—and salmon fishing in nearby Lake Michigan. All of which only points up the problem of trying to psych out public taste in leisure and move fast enough to invest in it so you get your money back before salmon fishing in Chicago gives way to camel racing in Phoenix.

Riding the leading edge of a fad probably works best for entrepreneur types betting with their own money. Take Ralph Hoagland, a 1962 Harvard Business School graduate, who built a 58-store drug chain called CVS. In 1969 the chain was sold to Melville Corp. for $15 million and Hoagland decided to plow his share of the proceeds into some high-risk leisure businesses catering to moneyed students in Cambridge, Mass.

Hoagland's Orson Welles Cinema wasn't just a movie house. It also contained a camera shop, a restaurant and a film school. Now he has opened an electronic game room next door called 1,001 Plays that's jammed with off-duty scholars dropping quarters on games modeled after everything from *Star Wars* to Dolly Parton. His 2,500-square-foot game room is grossing $500,000, according to Hoagland, who now has four more in various stages of completion in Florida and New Jersey. Hoagland is a thin man who studies Jungian psychology and lives on a New Hampshire mountain with his wife, also a Harvard Business School graduate. Says he: "I spend a lot of time designing things for people to do together but I prefer to be alone. So I don't invest in things because *I* like them but because I think other people will."

The trick, of course, is to know what the Me generation of the Seventies will want in the Eighties—long before others do. That's why Cary Finkelstein and John Chambers, co-owners of Manhattan's Les Mouches, a disco-restaurant-cabaret, are spending $100,000 to transform the club, despite the fact that the disco industry generated an estimated $5 billion last year. "One of our innovations will be the introduction of music to which people can do more than just disco," says Finkelstein. "It's the coming trend of the Eighties. Call it grinding, slow drag, contact dancing or what-have-you." Is disco out? "No," says Finkelstein emphatically. "It's just broadening to include more people—gay, straight and in-between." Complementing the music will be erotic multimedia shows and rollaway "hot seats" that allow the disco floor to become a stage.

Will it pay off? The unpredictability of the leisure industry makes that as risky as anything else to predict. ■

"Tilt!"

Although pinball machines no longer rule the penny arcades and bars as they once did, they continue to hold their own against the new electronic video games, because pinball machines, too, are decked out with electronic innards, sound effects and score readouts. This Christmas season pinball machines were among the biggest sellers in their price range, with some selling for as much as $2,500.

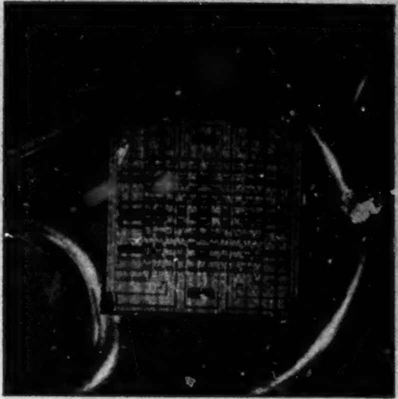
At Elsie's Deli in Cambridge, Mass., Harvard students are flipping and tilting as soon as the restaurant opens at 7:00 a.m. and even though demand for sandwiches lags between meals, the machines don't stop until closing at 1:00 a.m.

The trend seems to obtain as well at the many new electronic game parlors. One owner, while admitting that video games are the big new thing, points out that on any given day his pinball machines account for half of his take. Performance like this keeps Bally, Gottlieb, Williams and Stern, the manufacturers who dominate the market, busy and profitable. Since the lifespan of any machine in a lightly trafficked area is only six months, the manufacturers have to keep designing new backgrounds and repositioning bumpers and flippers. Also, the foreign market, once bigger than the U.S. market, demands ever more sophisticated and garish machines.

The reason pinball keeps its share of the dwindling recreation dollar seems to lie in the tactile responsiveness of the game. Many players say they get bored with video games, they get to feel they have psyched out the game. But with pinball, they say, every carom off a bumper has a suspensefully unprogrammed trajectory that is wonderful to respond to physically. The machines are also more fun to kick than the video games.

Electrical equipment that increases efficiency will remain in strong demand. Electronics makers, of course, will have new markets to pursue.

Electronics and electrical equipment



"I MAKE IT VERY SIMPLE," says Chris J. Witting, chairman and chief executive officer of Crouse-Hinds Co. (electrical construction and distribution equipment, lighting and traffic controls), of the reception he accords would-be acquirers. "I ask them to lay down their ten-year record next to ours. If it matches, I'll consider a proposal. If it doesn't, I ask, 'Why should our shareholders swap our stock for yours?' "

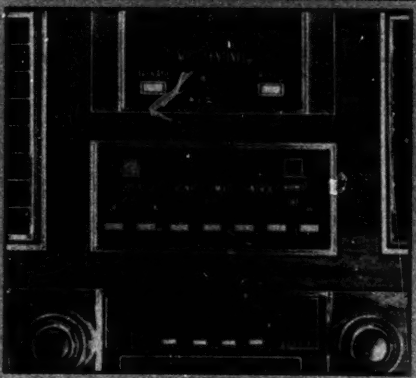
Running a company that ranks high on FORBES' Yardsticks, Witting can afford to be choosy about his future. While plenty of uncertainty lies ahead, not all electrical equipment makers have to believe that their best days are behind them. Although middling-size (1979 sales, $375 million) compared with such competitors as Emerson Electric and McGraw-Edison, Crouse-Hinds is diversified enough in the electrical equipment market to weather even a nasty downturn in any one sector.

Companies with a strong stake in products for the construction industry will obviously be hurt by the downturn now evident in home building and expected in commercial and industrial building. It was shipments of veritable mountains of cables, switches, conduits and fittings to those markets that made a median five-year return on equity of 19.8% possible.

But even as those markets weaken, demand for other types of electrical materials will remain stronger from industries desperately striving to conserve energy. Think of it as a kind of retrofitting market. For companies that can design and produce equipment specifically aimed at reducing energy costs, prospects have become so good that outsiders are now maneuvering for a share—Exxon's takeover of Reliance Electric, for example, which itself had taken over Federal Pacific Electric early in 1979. Borg-Warner too, has recently announced a new device that increases the efficiency of an electric motor.

The heavy end of the electrical equipment business—generating equipment—shows no such bright spot. With many of their best customers, the utilities, now wallowing in overcapacity—total U.S. generating capacity now exceeds peak-load requirements by 34%—orders for big plants have just about dried up. Because the heavy end of the electrical equipment business has always been cyclical, the fact that it's depressed right now would not be unusual. But this is no ordinary time. Six years after OPEC made clear to the U.S. the appalling economic and political prices to be paid for its addiction to imported oil, some 16.5% of the electrical energy consumed in

Next year, the shakeout



Five years ago Bob Costello, the head of purchasing for General Motors' Delco Electronics division, got together with a high-technology expert from Motorola and their conversation started something like this: "GM needs Motorola." "You gotta be out of your mind! Motorola needs GM." Well, they were both right.

Companies like Texas Instruments, Intel, National Semiconductor, Motorola and many more are getting fat from the $2.5 billion automotive electronics business, and the boom has just begun. GM alone will buy nearly $900 million worth of electronics for its 1981 model-year cars. About 10 million integrated circuits went into Ford's 1979s. The 1980 line will use *22* million. In just three years the wholesale value of the electronic features in the Continental Mark VI has doubled to more than $1,800.

The way the market has worked so far, automakers have been buying electronics from every available source with enough technological handholding thrown in to produce automobiles that meet mandated emissions standards. "Detroit has been looking for cooperation, not competition in an open arena," says Thomas Reynolds, automotive industry manager for National Semiconductor. "We'd be crazy to try and gobble up another guy's market share before we had all our disciplines together."

But look for that to change after the 1981 model year. Once the spending binge for fuel-economy and emission-control units is over, the car companies will shift their electronics budgets toward convenience gadgets—more sophisticated dashboard displays and instrumentation. "There's bound to be a shakeout," says Jerry Rivard, chief engineer of Ford's electrical and electronics division, which currently buys integrated circuits from 19 different suppliers.

Motorola, the $200 million (sales) leader in auto semiconductor electronics, will be among the survivors. "This market is more dog-eat-dog than people admit," says Bill Howard, vice president of its semiconductor group.

That means, of course, that the Japanese are in it too. Already over half GM's passive components such as resistors and capacitors—about $100 million worth—are Japanese-made. "We warned our American vendors," says Costello, "but they didn't see the handwriting on the wall."

Meanwhile, Motorola's Howard is taking advantage of the competitive edge the American electronics industry still holds by selling engine-control products to Japan's auto manufacturers. "Right now they're plenty vincible," he chuckles. "So why not beard the lion in his own den?"

the U.S. is still produced by oil-fired generating equipment. This, despite the fact that electrical utilities, which account for one out of every ten barrels of oil burned up in the U.S., have a ready alternative (coal, if not nuclear fuel) right at hand. If U.S. economic planning were in the hands of a Platonic philosopher-king, a sort of Joseph Stalin with a brain and a heart and no voters to worry about, the makers of generating equipment would be buried by now in new orders to replace oil-fired capacity and upgrade existing coal stations. It must happen. The stakes are high on whether it happens sooner or later.

The electronics industry has problems ahead, but none of them apocalyptic. The industry can be divided into two parts: semiconductors and everything else. Everything else includes,

Electronics & Electrical Equipment

Yardsticks of Management Performance

	Profitability								Growth			
	Return on Equity				Return on Total Capital				Sales		Earnings Per Share	
Company	5-year average	5-year rank	latest 12 months	debt/ equity ratio	latest 12 months	5-year rank	5-year average	net profit margin	5-year average	5-year rank	5-year average	5-year rank
Electronic Equipment												
Teledyne	36.4%	1	43.2%	0.3	31.7%	3	22.5%	13.9%	10.4%	19	57.5%	1
Schlumberger	30.9	2	31.6	0.1	30.0	2	28.6	18.9	22.4	4	36.0	3
Intel	29.6	3	31.1	0.0	30.1	1	28.9	11.6	47.2	1	42.9	2
Natl Semiconductor	23.1	4	25.1	0.1	18.9	6	17.7	4.9	37.5	2	31.0	4
Lear Siegler	21.9	5	28.0	0.6	16.4	12	12.8	4.8	10.4	18	27.0	5
Raytheon	21.2	6	25.2	0.1	23.3	4	18.9	5.2	13.7	12	22.8	11
EG&G	21.1	7	31.1	0.2	26.0	5	18.1	4.0	21.7	6	25.1	7
Avnet	20.1	8	20.8	0.2	19.1	10	15.8	5.5	14.1	11	17.4	15
Tektronix	18.3	9	22.3	0.1	19.4	8	16.6	9.8	22.4	4	25.4	6
Hewlett-Packard	18.0	10	19.6	0.0	18.9	7	17.4	9.1	21.7	7	22.6	13
Texas Instruments	17.2	11	20.2	0.0	19.6	9	16.3	5.5	14.6	10	15.1	18
RCA	16.6	12	18.5	0.7	12.2	17	10.7	4.0	8.9	20	23.6	9
Harris Corp	15.7	13	20.8	0.3	16.9	13	12.6	6.5	11.4	15	17.6	14
Perkin-Elmer	15.3	14	21.0	0.2	17.8	11	14.7	7.1	17.7	8	15.3	17
General Tel & Electronics	15.0	15	15.0	0.9	7.2	22	7.1	6.6	11.6	13	9.1	22
Beckman Instruments	14.2	16	17.6	0.5	13.4	16	11.4	6.8	14.7	9	23.5	10
North American Philips	14.0	17	15.6	0.3	10.7	18	9.3	3.4	22.6	3	15.9	16
Corning Glass Works	13.9	18	17.1	0.2	14.3	15	11.5	9.1	8.0	22	12.1	20
Motorola	13.7	19	17.2	0.2	14.6	14	12.2	5.9	10.8	17	12.1	19
Ampex	13.6	20	17.8	0.7	11.8	21	7.8	5.3	1.2	25	D–P	
Honeywell	12.3	21	16.7	0.2	12.7	19	9.2	5.8	7.4	23	11.6	21
American Tel & Tel	12.2	22	13.2	0.7	7.3	23	6.9	12.6	11.5	14	8.4	23
General Instrument	11.6	23	17.6	0.3	14.5	20	9.0	6.7	8.0	21	22.8	12
Varian Associates	6.8	24	5.2	0.3	4.6	25	6.0	1.7	11.1	16	24.5	8
Bunker-Ramo	6.3	25	17.2	0.5	12.8	24	6.3	5.7	6.0	24	5.8	24
Medians	**15.7**		**19.6**	**0.2**	**16.4**		**12.6**	**5.9**	**11.6**		**22.7**	
Electrical Equipment												
UV Industries	31.0%	1	73.0%	0.7	50.2%	6	18.6%	56.8%	8.6%	12	30.9%	2
Reliance Electric	24.9	2	24.7	0.3	19.1	7	17.4	6.7	16.0	6	18.9	4
AMP	23.7	3	29.6	0.1	25.4	1	20.1	12.1	14.9	7	16.6	6
Square D	23.5	4	25.7	0.3	20.0	2	19.2	9.2	12.7	8	10.8	13
Crouse-Hinds	21.3	5	23.3	0.2	19.4	4	19.0	7.3	22.9	3	19.9	3
Emerson Electric	20.2	6	22.1	0.1	21.3	5	18.8	7.7	17.6	5	12.9	9
W W Grainger	20.2	7	21.9	0.0	21.5	3	19.1	6.9	18.9	4	18.4	5
General Electric	19.4	8	21.2	0.2	18.5	8	16.9	6.4	10.5	9	11.2	11
Copeland	18.7	9	10.0	0.2	7.7	9	16.7	2.6	8.6	11	10.9	12
Gould	16.2	10	14.8	0.4	10.9	12	12.5	5.1	24.4	1	14.9	7
Raychem	15.2	11	22.9	0.1	20.8	10	13.6	9.2	24.2	2	32.5	1
McGraw-Edison	13.9	12	14.2	0.1	13.1	11	12.5	4.8	7.8	13	11.6	10
Westinghouse Electric	11.9	13	12.9	0.2	11.2	13	9.6	4.4	4.5	14	13.1	8
Robertshaw Controls	9.1	14	10.3	0.4	8.0	14	7.4	3.5	9.4	10	2.9	14
Medians	**19.8**		**22.0**	**0.2**	**19.3**		**17.2**	**6.8**	**13.8**		**14.0**	
Industry Medians	**17.2**		**20.8**	**0.2**	**17.8**		**14.7**	**6.5**	**12.7**		**17.8**	
All-Industry Medians	**15.1**		**16.7**	**0.4**	**11.8**		**11.0**	**5.2**	**13.1**		**13.1**	

Note: Explanation of Yardstick calculations on page 51.
D-P Deficit to Profit; not ranked.

importantly, testing and measuring devices for industry. The latter segment, dominated by Hewlett-Packard and Tektronix, percolates along rather nicely, growing—according to one analyst—30% in a good year and 6% in a bad one.

The same cannot be said, however, for the semiconductor portion of the industry. Surges in demand and surges, too, in the number of suppliers have consistently fouled up even well-laid plans. Last year the industry just didn't have enough capacity to meet demand. Stuart Johnson, vice president-research at Wertheim & Co., explains: "One of the reasons for the lack of capacity was that the industry expected a sharp deceleration in growth in mid-1978. They expected a recession in the third quarter of that year. Instead, just the opposite occurred. Growth accelerated." And, of course, kept booming throughout 1979.

> ***"People are arguing whether defense spending should go up 3% or 5%. No matter which side wins, there'll be fewer soldiers. The money will be spent on some kind of electronic stuff. Something will obsolete what we have."***

"The companies got sales growth," Johnson says, "but not as much as they might have. They had production problems because their lines were geared to levels that were too low. They had to accelerate them in an unplanned fashion. A company could have been a hero," he adds, "if it had gone against those predictions and been bullish." There were no heroes in the semiconductor segment of the industry last year.

The concerted push the Japanese are now making in the semiconductor business (FORBES, *Nov. 26, 1979*) may be a far more important factor in the months and years ahead than the general tone of the economy. Such inroads as the Japanese have made in the U.S. market came at a time when most U.S. producers couldn't have handled the business anyway. Given some slack, however, the Japanese could well raise a little hell with the margins U.S. companies have become accustomed to.

Yet another imponderable is the impact of any significant increases in defense and energy spending. For several companies it could be important. Outfits like EG&G, Lear Siegler and Raytheon, which supply the Department of Defense or the Department of Energy, can expect orders regardless of the economy. Says Simon Sheib, chairman of Avnet, which distributes all manner of electronic gear, "People are arguing whether defense spending should go up 3% or 5%. No matter who wins, there'll be fewer soldiers. So what will the money be spent on? Some kind of electronic stuff. There's bound to be something to obsolete what we have. Then we'll have a lot of new stuff."

Companies like Teledyne that supply planemakers also have big backlogs and won't be hurt badly unless the recession is truly deep and dark. The automotive market may also continue strong even in a so-so year for new-car sales. Since it is a new market for electronic components, sales don't have far to fall *(see box, p. 190)*. It's a matter of how quickly the companies will be able to penetrate it. Motorola, for one, expects to sell a considerable amount of electronics to Detroit this year for its 1981 models.

Motorola's prospects in the automotive market show a remarkable property of the electronics business, one shared by few others. To a degree that companies in older lines of work can no longer hope for, an electronics company's future is not necessarily limited by the general economic climate or even by the winds blowing in its particular sector. In electronics, as in ethical drugs (but in little else), genuine innovation can still *create* markets where none existed. To that extent, then, an electronics company's future is largely in its own hands. ■

A world steel shortage looms in the 1980s, but that's not much help to the American steel industry today.

Steel

UNLESS YOU'VE JUST EMERGED from a five-year nap, it's not news that the steel industry is in trouble. Competition from abroad and from substitute materials is keeping many a steel executive awake nights. And things are not likely to get better soon.

Right now, there is about 20% overcapacity in the world—partly because the less-developed countries are all trying to build up their own steel industries. Meanwhile, old, inefficient mills in Europe and the U.S. are still running. The emergence of a steel industry in the less-developed countries, of course, cuts down the export market, especially since those newer plants can produce steel far more cheaply than the U.S. plants can. And at home, the automakers (which use something like 20% of the steel in the U.S.) are cutting back sharply on the amount in each car to cut weight and thus boost gas mileage. General Motors, for example, plans a curb weight of about 2,800 pounds for the average 1985 model, compared with around 3,350 pounds for the 1980 model and some 4,000 pounds a decade ago. Much of the weight loss is in steel. And with auto sales themselves down, fewer cars using less steel makes for grim days ahead for the industry.

What can the steelmakers do? For one thing, they can upgrade their plants. But that takes money, and if you don't have profits and are already leveraged to the eyeballs, it's a tough trick to pull off.

One company that has pulled off just such a trick is Inland Steel, which started major expansions at its Indiana Harbor works on Lake Michigan in 1974. "There were two things we looked at when we started the project," says Inland Chairman Frederick G. Jaicks. "First, we saw ourselves able to finance it. Of course, we've gone to the money market a few times for borrowings and sold some stock in 1975. Also, we saw a market growth for us, and we still think it's there."

The Indiana Harbor mill is thought to be one of two U.S. plants comparable in size and technology to the superefficient Japanese mills, the pinnacles of production today. The other is Bethlehem Steel's Burns Harbor (also on Lake Michigan) facility, which, when its 110-inch-plate mill was opened in 1978, became the first fully integrated steelmaking plant built here since 1953.

The Capital Cost Recovery Act, introduced in Congress last spring, may help the steel companies raise the capital they need to upgrade their plants. That law allows buildings to be depreciated over ten years, operating equipment over five years and other expenditures over three years—a welcome relief from the 14-year schedule formerly used by steelmakers.

"Given the profitability of the steel industry," says Harry Holiday Jr., chief executive at Armco Inc., "that will probably generate enough cash flow to revitalize capital expenditures in the steel industry. Probably more than we can use. But wheth-

Do we or don't we?

Pity poor Youngstown, Ohio. In 1977 Youngstown Sheet & Tube shutdowns there threw 4,100 steelworkers into the streets. Now it's U.S. Steel, with two mills and 3,600 workers, and Jones & Laughlin with some 1,200 workers. Have the steel companies no hearts? That's the wrong question. We should be asking two others: Why did it take them so long to start using their heads? And how long are we going to permit foreign countries to export their unemployment to the U.S.?

The two questions are interrelated. One reason the U.S. steel industry is not competitive is that it hasn't done the right things. But one reason it hasn't done the right things is that it couldn't afford to. There's guilt on both scores.

Open-hearth furnaces became obsolete in the 1950s, long before environmentalists and cheap imports seized the country. That would have been the time to replace the white elephants with more-efficient basic oxygen furnaces—which is exactly what the Japanese did. But for the same reason that the Europeans discovered small cars long before we did, American steel companies were in no hurry to convert to BOFs—we had cheap energy to burn.

Now the steel industry is stuck with antiquated facilities (15% of our steel production still comes from open-hearth), expensive energy, and no money for capital improvements. Not surprisingly, steel companies are crying to the government that its costly EPA regulations and poor administration of trigger prices are causing all the grief. That's partly true but the problem started long ago.

The day of reckoning is here. Even as they lobby for stiffer import laws and greater leniency from the EPA, steel companies are taking matters into their own hands. U.S. Steel's 16 closings and partial shutdowns are designed to streamline U.S. Steel's operations to fewer products and to cut out some of the older, less profitable mills. U.S. Steel Chairman David M. Roderick is leaving the door open to still more shutdowns if efficiency doesn't pick up. What's more, he says the company will start buying technology from the Japanese instead of trying to invent everything in-house. These are steps in the right direction, at long last.

So should we all stand up and cheer? No. U.S. Steel and the United Steelworkers of America say that mill closings mean increased dependence on foreign steel—we already import 15% to 20% of what we use. Unless something is done about imports, they say, when the next shortage comes the foreign steelmakers will be able to sell their steel to us at any price. Sound familiar? That's how we handed control of our national destiny to the Arabs. The point is this: The steel industry can do certain things for itself. But it will also need a political decision from the American people. Does the U.S. want a steel industry or doesn't it?

er or not that money will actually be spent in the steel industry will depend on the profitability of the steel business." Quite obviously, managements would be wasting stockholders' money as well as misusing society's scarce capital were they to invest in steel plants that could not return at least a fair yield.

Right now, profitability does not seem to be in the works for steel. Worldwide, the industry is facing tremendous overcapacity—some 37% of Japan's finished-steelmaking capacity lies idle. In the U.S. about 14% of capacity sits waiting to be used, and Western Europe has an estimated 37% more steelmaking capacity than needed. Trigger prices have done some good in preventing dumping by Japanese and European steelmakers, but probably not enough. In the first place, the trigger price is keyed to the Japanese companies' costs. Since Japan is the most efficient producer, the trigger price mechanism still allows European makers to dump steel here below their cost. Also, as the dollar rises in relation to the yen, the trigger price becomes less effective: It is figured in yen, then translated into a dollar figure at the exchange rate effective at the time.

But the Japanese steelmakers are not the whole problem. Since 1968 worldwide steel capacity has grown some 183.5 million metric tons. Of that total increase, some 19% was additional Japanese capacity, but the U.S.S.R. and Eastern Europe expanded an estimated 70 million metric tons, about 38% of the total increase.

Capacity growth is slowing to around 1% a year, while most industry analysts predict demand growth of 2.5% to 3% a year. At those rates of growth, the overcapacity gap could be closed in five years, but that may not be fast enough. It would take a bold management indeed to commit big money now for profits that may not be there a half-decade hence.

For the moment, at least, about the best you can say about this industry is that it is so far down it has nowhere to go but up. That's scant comfort. There's no better measure of how poorly investors regard the industry's prospects than the recent price of U.S. Steel stock. At 17 it was selling for just about 25 cents on the net asset dollar and at about two times cash flow. That's close to bankruptcy prices. ■

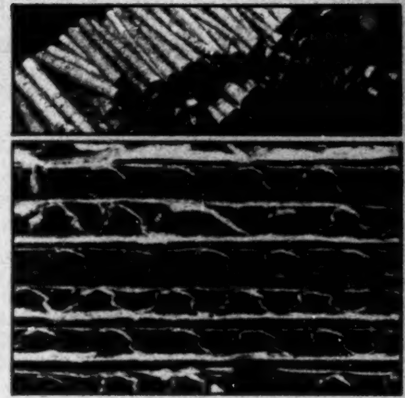
Steel

Yardsticks of Management Performance

	Profitability								Growth			
	Return on Equity				Return on Total Capital				Sales		Earnings Per Share	
Company	5-year average	5-year rank	latest 12 months	debt/ equity ratio	latest 12 months	5-year rank	5-year average	net profit margin	5-year average	5-year rank	5-year average	5-year rank
Basic Producers												
Armco	11.5%	1	15.7%	0.4	10.8%	1	8.1%	4.7%	12.1%	1	10.4%	2
Inland Steel	10.9	2	12.7	0.5	8.7	2	7.9	4.3	11.4	3	6.7	3
Kaiser Steel	8.8	3	11.5	0.7	7.6	3	6.4	6.2	8.8	7	12.2	1
National Steel	7.2	4	10.4	0.4	7.4	5	5.5	3.3	12.0	2	–0.6	6
United States Steel	7.0	5	6.9	0.4	5.4	4	5.8	2.8	10.0	5	3.4	5
Republic Steel	6.6	6	10.7	0.3	8.0	6	5.4	3.8	10.7	4	5.5	4
LTV	6.1	7	27.8	2.9	6.9	8	3.9	1.5	6.2	8	D-P	
Bethlehem Steel	4.6	8	13.1	0.4	10.5	7	4.4	4.4	9.2	6	–11.3	7
Medians	**7.1**		**12.1**	**0.4**	**7.8**		**5.7**	**4.1**	**10.4**		**5.5**	
Specialty & Other Steels												
Nucor	28.3%	1	40.5%	0.4	28.0%	1	19.9%	9.4%	20.7%	1	27.5%	2
Athlone Industries	22.5	2	21.3	1.2	11.6	11	10.8	4.3	6.5	19	31.6	1
Crane	20.1	3	15.8	0.9	9.1	9	11.6	3.5	6.5	18	21.8	5
Earle M Jorgensen	18.4	4	17.6	0.2	15.4	4	15.4	5.8	11.7	8	18.6	7
Colt Industries	17.8	5	20.0	0.5	13.4	10	11.4	5.3	13.9	2	19.2	6
Carpenter Technology	17.8	6	20.0	0.0	18.6	2	16.0	8.5	13.1	4	21.9	4
Central Steel & Wire	16.2	7	16.8	0.0	16.9	3	15.7	2.9	12.9	5	24.5	3
Copperweld	15.4	8	17.3	0.4	12.7	8	12.3	4.9	12.7	6	11.2	11
NVF	15.0	9	25.9	0.6	20.4	7	12.5	10.1	6.5	17	12.7	9
Hanna Mining	14.1	10	15.0	0.1	13.1	6	12.6	13.2	10.8	10	13.1	8
Northwestern Steel & Wire	12.8	11	16.8	0.0	16.6	5	12.6	7.8	10.2	12	1.8	17
National-Standard	12.2	12	12.5	0.2	9.7	12	9.3	3.9	11.2	9	10.0	12
Allegheny Ludlum Inds	10.0	13	23.1	0.8	10.1	15	6.4	4.7	10.6	11	7.1	15
Interlake	9.8	14	11.3	0.4	9.0	13	8.5	3.2	13.8	3	8.6	14
Lukens Steel	9.4	15	5.9	0.1	5.0	14	8.0	2.4	8.8	14	11.5	10
Cyclops	8.2	16	16.9	0.3	11.1	16	6.1	2.7	9.3	13	5.9	16
McLouth Steel	3.4	17	9.8	0.7	6.8	18	3.2	2.2	12.0	7	9.9	13
Keystone Consolidated	3.1	18	def	0.4	1.3	17	3.5	def	8.4	15	–7.6	18
Wheeling-Pittsburgh Steel	2.7	19	17.8	0.6	11.1	19	3.1	4.5	8.2	16	–18.0	19
Medians	**14.1**		**16.9**	**0.4**	**11.6**		**11.4**	**4.5**	**10.8**		**11.5**	
Industry Medians	**10.9**		**15.8**	**0.4**	**10.5**		**8.1**	**4.3**	**10.7**		**10.2**	
All-Industry Medians	**15.1**		**16.7**	**0.4**	**11.8**		**11.0**	**5.3**	**13.1**		**13.1**	

Note: Explanation of Yardstick calculations on page 51.
D-P Deficit to Profit; not ranked. def Deficit.

Wood and paper producers did surprisingly well last year. But don't bet on a repeat performance.



Forest products and packaging

WOOD AND PAPER, along with construction, are usually among the most cyclical of industries. So 1980 won't be a repeat of 1979 for the forest products business. Despite a flagging economy, return on equity for the latest 12 months was a healthy 19%—the highest level since 1974. Much of the strength reflected the success of the nation's paper producers, who profited from high prices and short supplies. Wood producers benefited from low inventories and strong exports, plus vigorous housing starts for most of last year.

This year, however, the industry will track the economy. Paper, which has been booming, should come through in good shape if costs can be kept under control. But signs of a slump have begun to surface for lumber and plywood, as high interest rates and a shortage of mortgage funds hurt housing. No one expects a repeat of 1975, when earnings for some wood products companies plunged as much as 70% to 80%. But even in a mild recession, housing starts could fall 1.3 million to 1.4 million, cutting lumber and plywood earnings 25% to 35%.

About 60% of America's softwood lumber, plywood and other panel products such as particleboard go into residential housing. So with the falloff in housing starts, prices for lumber and plywood have already begun to drop. Lumber prices were at an alltime high through the summer because recession jitters had kept inventories low. But in the last three months they have fallen 15% while plywood prices were off 12%.

Given a choice between milling expensive logs for cheap lumber on the one hand and shutting mills on the other, some producers have opted for cutting production. "Rather than prostitute a valuable timber inventory by converting it to finished inventory which would either be sold at a loss this winter or possibly remain unsold for months, we have scheduled holiday closures, shift curtailments and limited mill clos-

Waste not, want not

When Crown Zellerbach's linerboard mill in Antioch, Calif. reopened in April following an eight-month strike, management found itself faced with a new problem. Since 1976 Crown's 215,000-ton-a-year mill has been running solely on wastepaper rather than on virgin wood pulp. During the strike its suppliers had been selling elsewhere. Before the mill could get running, suppliers had to be reestablished.

Wastepaper is a much bigger business these days than Boy Scout paper drives. About 25% of the paper consumed annually is collected and reused, accounting for 23% of the fiber the industry uses to make new paper and paperboard. Last year almost 18 million tons of wastepaper were collected, 42% more than in 1970. Two million of those tons were exported to Korea, Japan, Mexico and Canada. While the U.S. is a net importer of forest products, it is the world's largest *exporter* of wastepaper. Crown Zellerbach found itself competing with foreigners to get wastepaper.

While newspaper drives are the most familiar part of wastepaper recycling, in actuality only 16% of the wastepaper used comes from old newsprint. Some 35% of all corrugated boxes end up being collected and recycled. Mixed wastepaper such as computer printouts and other office paper wastes are also ahead of newspaper. Today around 60% of the fiber used in paper is some form of waste wood, wastepaper or other vegetable fibers like cotton. As the price for whole trees continues to soar, it has simply become more economical to use waste fibers rather than trees.

Paperboard products like folding cartons and corrugated boxes are the biggest users of wastepaper. Some mills use wastepaper in combination with virgin wood pulp, but 200 mills, like Crown Zellerbach's, can run on wastepaper alone. Fort Howard Paper Co., the $295 million (sales) maker of paper towels and tissues, depends almost entirely on wastepaper for its fiber needs (*see* FORBES, *June 12, 1978*). The American Paper Institute estimates that capacity built to use wastepaper will increase around 1 million tons a year over the next three years.

For such mills, the problem is getting supplies. Suppliers cannot be too far away from a mill because of transportation costs. Large wastepaper wholesalers pay organizations and individuals for their wastepaper, but historically these prices have been very volatile: In recent years prices for newspapers have varied from a high of $30 a ton to a low of $18. But long term the future looks good for the wastepaper industry. Increased capacity, rising prices for virgin wood pulp and the trend toward tax incentives for investments in recycling processes should increasingly make wastepaper an economical alternative.

ings," says Lee Simpson, vice president for operations of Louisiana-Pacific, a big timber buyer.

The price problem may be blunted somewhat for those companies that own large tracts of timberland. Companies like Weyerhaeuser or Crown Zellerbach can simply shift to cutting more of their own trees, which are considerably cheaper than trees purchased outside. Wood costs may decline in the South as acreage systematically planted after World War II matures. That would allow companies like Georgia-Pacific or Champion International to increase the cutting of their own trees. In contrast, many West Coast producers rely on scarce and expensive timber from National Forests. Last summer Georgia-Pacific was even importing logs all the way from its acreage in Chile to keep a mill in the Northwest supplied.

Plywood prices are being affected not only by lower housing starts but also by increased competition from such plywood substitutes as waferboard and other products made from wood scraps. Louisiana-Pacific plans to open two waferboard mills in the Midwest this year that will compete directly with southern plywood manufacturers. Even if the recession is short-lived, plywood could be in trouble for a few years, thanks to an abundance of new capacity in the South.

Once housing turns around, earnings should recover quickly for most of the industry. Housing starts are expected to average around 2 million a year during most of the 1980s as more people reach prime home-buying age. Meanwhile, high interest costs plus lower output will hold inventory down.

Export markets for logs and lumber were strong last year but could slow if the Japanese, who are big log buyers, act to dampen their inflation. Weyerhaeuser, with its big export log business to Japan, will be most affected.

But remember that most big forest products companies are also paper companies, and the paper business should do better than lumber through 1980. Earnings from paper could fall by 10% to 30% for some producers, but 1979's 20% increase pushed net from paper to record levels—the decline will come from a high level. Papermakers hiked prices late last year, hoping to make up for expected 10% to 12% cost rises in 1980.

What's more, the slowdown in big-ticket consumer durables like autos and housing hasn't extended yet to nondurables using a lot of paper, such as packaging and publishing. Newspaper and magazine advertising are likely to benefit from a spillover from television, where the Olympic Games and the presidential campaigns will put a squeeze on time.

Paperboard, the largest part of the paper industry—49% of total output—seems in particularly good shape, especially linerboard, which is used to make corrugated boxes. Linerboard prices reached $250 to $270 a ton last year after several years of huddling around $200 a ton. "The breakeven point for the average linerboard producer is $220 a ton," says Gary Palmero, a forest products analyst with Oppenheimer & Co. Little new capacity was built during the years of low prices, so supplies were tight last year. This should help linerboard producers like Union Camp and Great Northern Nekoosa. International Paper shut down one of its older Louisiana mills last year, and over the next few years other older mills may close because of the cost of complying with the 1984 clean water regulations.

Coated papers (used principally in magazines) were in such tight supply last year that an estimated 10% of what was used had to be imported from Europe. The situation was so bad that Time Inc. suspended distribution of promotional copies of its magazines, cut back on newsstand distribution and was even printing on lower-quality groundwood paper. Capacity for coated papers should rise a hefty 6% this year. But the earnings of companies like Consolidated Paper, which is adding the most capacity, could still be up modestly, since high-cost imports will be cut back first.

Last year's newsprint shortage came from rising advertising

Forest Products & Packaging

Yardsticks of Management Performance

	Profitability								Growth			
	Return on Equity				Return on Total Capital				Sales		Earnings Per Share	
Company	5-year average	5-year rank	latest 12 months	debt/ equity ratio	latest 12 months	5-year rank	5-year average	net profit margin	5-year average	5-year rank	5-year average	5-year rank
Forest Products												
Fort Howard Paper	20.2%	1	24.4%	0.2	19.3%	1	25.5%	17.4%	19.3%	3	27.7%	1
Union Camp	19.5	2	18.4	0.3	13.4	4	13.6	10.9	11.0	15	17.6	7
Mead	19.5	3	21.4	0.6	13.3	8	11.4	5.5	9.5	20	25.6	4
Kimberly-Clark	19.3	4	32.0	0.2	22.9	3	14.2	14.7	10.2	19	26.1	2
Willamette Inds	19.3	5	19.7	0.4	13.7	5	13.3	7.6	19.5	2	15.8	8
Georgia-Pacific	18.7	6	18.9	0.4	11.8	10	11.1	6.6	15.9	4	15.2	10
Consolidated Papers	18.4	7	25.2	0.1	20.8	2	16.1	12.5	15.1	5	26.0	3
Weyerhaeuser	17.6	8	23.6	0.6	15.6	7	12.2	12.4	13.1	7	11.5	12
Potlatch	17.0	9	19.2	0.4	13.2	6	12.3	10.0	11.5	14	23.3	5
International Paper	16.7	10	26.6	0.4	17.5	9	11.2	13.0	10.9	16	18.2	6
Louisiana-Pacific	16.3	11	19.1	0.3	13.2	11	10.7	8.5	21.8	1	10.5	16
Champion Intl	15.0	12	20.0	0.6	11.4	17	8.6	6.8	10.3	18	11.2	13
Great Northern Nekoosa	14.4	13	16.2	0.4	11.2	12	10.1	7.9	14.3	6	14.9	11
Westvaco	14.0	14	15.2	0.4	10.3	13	9.5	6.4	12.4	10	15.7	9
Crown Zellerbach	12.7	15	15.2	0.5	11.0	15	9.2	5.4	12.9	8	9.0	17
Boise Cascade	12.4	16	16.4	0.4	12.1	14	9.2	6.2	8.3	21	D-P	
St Regis Paper	12.3	17	15.8	0.4	9.7	16	8.9	6.4	12.7	9	10.6	15
Scott Paper	11.0	18	15.2	0.4	11.2	18	8.2	7.4	12.1	13	10.6	14
Southwest Forest Ind	10.2	19	15.6	0.8	10.4	20	6.7	4.0	12.4	12	6.5	19
Federal Paper Board	10.2	20	4.4	0.7	4.2	19	6.8	2.0	10.5	17	3.5	20
Hammermill Paper	9.6	21	12.0	0.6	7.7	21	6.7	3.1	12.4	11	8.1	18
Medians	16.3		18.9	0.4	12.1		10.7	7.4	12.4		15.1	

Forest Products & Packaging

Yardsticks of Management Performance

	Profitability								Growth			
	Return on Equity				Return on Total Capital				Sales		Earnings Per Share	
Company	5-year average	5-year rank	latest 12 months	debt/ equity ratio	latest 12 months	5-year rank	5-year average	net profit margin	5-year average	5-year rank	5-year average	5-year rank
Packaging												
Longview Fibre	17.1%	1	30.2%	0.0	18.5%	1	15.7%	11.4%	11.6%	10	11.3%	11
Crown Cork & Seal	16.7	2	16.6	0.0	14.6	3	14.0	5.1	15.1	4	16.2	5
Sonoco Products	16.6	3	17.1	0.1	14.1	2	14.1	6.6	11.9	9	17.2	3
Kerr Glass Mfg	15.6	4	9.1	0.5	7.3	7	9.7	2.9	11.3	11	24.8	1
Ball Corp	14.9	5	16.9	0.6	11.2	5	11.2	4.2	18.1	2	16.6	4
Stone Container	14.5	6	16.2	0.7	9.8	8	9.4	4.3	13.5	6	13.9	6
Anchor Hocking	13.6	7	12.0	0.3	9.4	6	10.9	4.1	13.4	8	9.8	13
Diamond Intl	13.3	8	14.3	0.2	11.3	4	11.3	5.3	9.7	14	5.4	15
Maryland Cup	13.1	9	12.4	0.4	8.8	9	9.2	4.0	15.6	3	13.1	7
American Can	12.4	10	13.2	0.5	8.8	12	8.8	2.9	11.0	12	17.6	2
Continental Group	12.2	11	11.0	0.4	8.2	10	9.1	3.5	9.1	15	12.0	9
Dorsey	12.0	12	14.9	0.7	8.9	13	8.4	2.4	18.1	1	11.9	10
Owens-Illinois	11.2	13	12.1	0.5	7.8	16	7.6	3.8	10.7	13	10.8	12
National Can	11.1	14	17.9	0.6	11.8	15	8.0	3.9	13.4	7	5.2	16
Bemis	11.1	15	17.6	0.4	11.4	14	8.1	4.5	6.4	17	12.9	8
Brockway Glass	10.9	16	4.2	0.4	4.0	11	9.0	1.4	14.6	5	6.1	14
Saxon Industries	5.3	17	6.3	1.0	4.9	17	4.2	1.2	8.9	16	−0.7	17
Medians	**13.1**		**14.3**	**0.4**	**9.4**		**9.2**	**4.0**	**11.9**		**12.0**	
Industry Medians	**14.2**		**16.3**	**0.4**	**11.3**		**9.6**	**5.5**	**12.4**		**12.9**	
All-Industry Medians	**15.1**		**16.7**	**0.4**	**11.8**		**11.0**	**5.3**	**13.1**		**13.1**	

Note: Explanation of Yardstick calculations on page 51.

D-P Deficit to Profit; not ranked.

linage, increased circulation and strikes in Canada and the U.S. The Los Angeles *Times* even offered its employees up to $25,000 in rewards for good suggestions on how to reduce newsprint waste. One hard-pressed Orange County, Calif. paper paid about $500 a ton for imported newsprint when domestic newsprint, if you could get it, went for $340 a ton. This year newsprint capacity in the U.S. will increase by 11%, but even that will merely lessen dependence on imports from Canada, which presently supplies two-thirds of U.S. newsprint.

About $20 billion worth of long-term expansion programs are now in the works or being planned. All this new capacity in an industry historically plagued by overcapacity has some people nervous. This year alone, companies like Boise Cascade, International Paper, Mead and St. Regis plan to up capital spending 20%, and Crown Zellerbach has announced plans over the next five years that would increase its expansion program by 50%. Thomas Clephane, forest products analyst with Morgan Stanley, predicts this new capacity combined with the recession could cut operating rates to around 89% of capacity from 92% last year. Much of the strength of paper earnings in recent years has come from the lack of additions to capacity in the 1970s. At operating rates below 90%, price increases will be hard to get. That would mean lower profit margins already squeezed by cost increases.

The companies say they need the expansion to meet increases in demand through the 1980s and that new capacity will be partially offset by closing older mills. Also, much of the capacity is coming in products like newsprint and coated papers where supplies are short. Paper companies are in better shape now than in the early 1970s when the last round of overbuilding occurred.

Not everyone, however, shares this rosy view. Salomon Brothers' analyst Bowen Smith is concerned particularly about coated papers. "Up to 1976, nobody wanted to be in the coated paper business," says Smith. "Then up popped specialty magazines and the business took off. But newsstand sales are off and people are cutting back on discretionary spending, just at a time when a lot of capacity is coming on."

Last year was a rocky one for nonpaper packaging, and 1980 looks like more of the same. Glass containers were hard hit by a cool summer and less drinking of beer and soft drinks. Plastic soda bottles finally took over the two-liter-size soda-bottle business and are moving into smaller sizes. Plastics are also beginning to make inroads in the nonbeverage markets. By the end of the year, inventories of glass containers at bottling plants were 10% higher than a year ago, and companies like Brockway Glass and Anchor Hocking (which suffered an estimated 33% profit decline) had closed several of their inefficient plants. For the plastic-bottle makers like Owens-Illinois and Dorsey Corp., however, profits will be at record highs.

Metal cans did better than glass last year, and can shipments this year are expected to be up 1%. Higher costs for aluminum sheet, steel and fuel, plus some excess capacity, will boost costs faster than prices can be raised without losing market share. But companies like American Can, which has big new contracts with brewers, and Crown Cork & Seal, the industry's most efficient producer, should hold their own.

Aluminum is again looking good in the battle against steel, largely because of the industry's success in collecting used aluminum. Recycled aluminum not only holds down raw material costs but also takes less energy than new aluminum.

You can't grow new aluminum like you grow new trees, but it is reassuring to know that the throwaway world has some redeeming aspects. ■

The industry is not as pessimistic about its prospects as the stock market is. Who will prove to be right?

Construction

THERE'S A TENDENCY TO COMPARE 1980 to the devastating housing collapse of 1975, when starts plummeted 43% from two years before, drumming thousands of small builders out of the business and scaring plenty of Big Board companies too. It won't happen that way again. The hard times of 1980 shouldn't be nearly as bad as 1975, providing construction companies have learned a few lessons. Given that the recession is here, the industry is almost itching for the test. Says Masonite Corp. President Robert N. Rasmus, "We rather welcome the opportunity to see what kind of a company we are today. We'll put to the test the changes we've made in the last five years." Translate: In 1975 earnings crashed 93% to 12 cents a share. Rasmus thinks the company is going to do a helluva lot better this time.

He's right, because the situation is different today. In 1975 cash-laden real estate investment trusts were chasing builders, slapping money into their hands. Give a builder money and what's he going to do? He'll build. Result: a disastrously overbuilt market just as money tightened and prospective buyers stayed home on Sunday afternoons.

This year it is different. Inventories of unsold homes are minimal and money is still available. Most of the big single-family FHA-VA builders are still offering mortgage money obtained at lower mid-1979 rates. True, the big backers of commercial projects, life insurance companies, have tightened the spigots. Prudential quit lending in late 1979. Equitable began writing mortgage commitments without specified rates—the rate will be set in a year or two when the mortgage money is actually advanced. As Equitable's Senior Vice President of Realty Operations Donald R. Waugh Jr. puts it, "Lending long term in today's inflation is like setting a cake of ice out in the sun and watching it melt." But all is not lost. The pipeline still contains money that entered prior to Fed Chairman Paul Volcker's interest rate shock of last Oct. 6.

Now for the big question. How many single-family starts in 1980? Consensus' guess is 1.4 million, in an industry capable of

The next boom: Will it be too much?

Although housing is sliding into a down year in 1980, you can bet your bottom dollar that it will be back up within a year or two. By 1982 we'll probably be back to at least 2 million starts. But what if housing should shoot right past the normal 2 million crest, heading for 2.5 million or so? A builder's delight?

"No, that would be a horror story," says U.S. Home Chairman Guy Odom. Sounds funny coming from a man who makes his living building houses. But he is right. It would be a horror story, and one that's not as improbable as it may sound.

Here's why. Today there are an estimated 18 million households in the 25-to-35-year-old bracket, a prime home buying market. That's 80% more than ten years ago. The demand for homes is building rapidly, perhaps to about 2.5 million a year. Fortunately, demand is curbed periodically by tight money and recessions.

Yet as the total population in the 25-to-35 age bracket grows, pent-up home buying demand also grows inexorably. Just as soon as credit eases up, all those anxious home buyers will scurry for the subdivisions. If enough mortgage money is available, the home-building industry might hammer its way right through the current optimum rate of 1.8 million to 2 million starts.

Beyond that lies the horror story. Listen to Ryan Homes Chairman Malcolm Prine, who says his company can make more money at the 2 million level than at the 2.5 million. "Land prices shoot up and builders start stealing each other's subcontractors. Materials, such as insulation and cement, show up late or not at all. That costs time and money." For instance, when Sheetrock was in short supply, U.S. Home's Odom remembers trucking it from Canada to his Florida home construction sites. And of course prices shoot up. In the last boom, building materials prices rose 50% faster than other commodities. Builders also wind up having to redo a great deal of the work done by inexperienced craftsmen.

What makes this situation so bad is that there's no reasonable solution as long as the economy continues on a roller-coaster track. Why should more craftsmen enter the trades when they know construction unemployment will top 20% in the next recession? What supplier is willing to invest in new production facilities when he knows darn well that another housing bust is never more than a few years away? Sure, lumber, plywood and a few other materials can be diverted to markets such as Japan, but what's General Electric going to do with a load of built-in dishwashers that were designed for a U.S. home buyer's standard of living? Sell them in Mexico or Korea?

efficiently producing about 1.9 million to 2 million units. That's down from last year's estimated 1.7 million and off 30% from two years ago, but not nearly so bad as 1975's total of less than 1.2 million, down 43% from two years earlier. Cushioning this slide are some dramatic changes in the mortgage market, changes that are keeping the market fluid when in years past it might have dried up. Consider:

- Five years ago money flowed out of S&Ls because the highest interest an S&L could offer was a six-year, 7¾% CD. Today S&Ls offer six-month certificates that pay Treasury bill rates, recently 11.7%.
- Today S&Ls can pass through many loans to outside investors—insurance companies, pension funds, etc., with bond issues and pass-through certificates. Five years ago these securities were not available.
- Today governmental agencies such as the Government National Mortgage Association (Ginnie Mae) are drawing billions of new investor dollars into the mortgage market. Last year investors bought $25 billion in Ginnie Mae certificates (vs. $4.5 billion in 1974), providing 550,000 FHA and VA home loans. Two-thirds of these investors were not in the mortgage market five years ago.

So how will home builders fare? Their prospects depend on two things, unemployment and mortgage rates. In 1975's housing debacle unemployment peaked at 9.1%, well above today's 5.8%. For each 1% increase in unemployment, however, a million American workers will be out on the streets. Dr. Michael Sumichrast, chief economist and vice president for the National Association of Home Builders, forecasts a 22% to 24% unemployment rate in construction alone by fall. Unemployment's principal market effect is psychological—it makes millions of *employed* workers too nervous to buy.

If interest rates stay high, many prospective buyers won't be able to qualify for loans. Last year a $75,000 loan at 10% required a $625 monthly interest payment. At a more current 13% rate (above usury ceilings in 20 states), the interest payment would exceed $800. Prospective buyers are further burdened by an enormous load of consumer debt. In the last five years consumer installment debt has risen nearly 86%, well beyond the 47% inflation rate in the same period.

The builders most endangered this year are the small ones, who on average build about 30 homes a year, representing 98% of the badly fragmented home building market. They build mostly in the conventional market, where interest rates and down payments are frightfully high. Small builders' financing costs are running about 20%, driving their home prices up. So speculative building is simply out of the question. Pity the poor builder who is strung out with unsold homes and saddled with heavy debts.

For the big builders, such as U.S. Home, Centex and Ryan Homes, 1980 looks more promising. In U.S. Home's headquarters market, Houston, home sales are off 15%, but U.S. Home's sales are *up* 15%. "I'll go out on a limb," says Chairman Guy Odom. "I think we'll do better this year than last. I'm not saying how much better, maybe only a nickel, but I think we'll do better."

Companies like U.S. Home have enormous financing advantages. While small builders are shouldering 20% financing to carry their inventory, U.S. Home's weighted cost is only 8.4%, a combination of no-cost equity, 5.5% debentures, notes at 10% and 10.75%, plus bank loans at one-fourth of 1% over prime. The big companies are also capable of shifting the mix in their building. U.S. Home is doubling its attached-home production to comprise 30% of its business, because attached

Construction—Building Materials

Yardsticks of Management Performance

	Profitability								**Growth**			
	Return on Equity				Return on Total Capital				Sales		Earnings Per Share	
Company	5-year average	5-year rank	latest 12 months	debt/ equity ratio	latest 12 months	5-year rank	5-year average	net profit margin	5-year average	5-year rank	5-year average	5-year rank
Lumber												
Willamette Inds	19.3%	1	19.7%	0.4	13.7%	1	13.3%	7.6%	19.5%	2	15.8%	1
Georgia-Pacific	18.7	2	18.9	0.4	11.8	3	11.1	6.6	15.9	3	15.2	2
Weyerhaeuser	17.6	3	23.6	0.6	15.6	2	12.2	12.4	13.1	4	11.5	3
Louisiana-Pacific	16.3	4	19.1	0.3	13.2	4	10.7	8.5	21.8	1	10.5	5
Champion Intl	15.0	5	20.0	0.6	11.4	6	8.6	6.8	10.3	7	11.2	4
Boise Cascade	12.4	6	16.4	0.4	12.1	5	9.2	6.2	8.3	8	D–P	
Southwest Forest Inds	10.2	7	15.6	0.8	10.4	8	6.7	4.0	12.4	6	6.5	6
Edward Hines Lumber	8.6	8	7.0	0.1	6.3	7	8.0	1.6	12.7	5	6.0	7
Medians	**15.7**		**19.0**	**0.4**	**12.0**		**10.0**	**6.7**	**12.9**		**11.2**	
Cement & Gypsum												
Ideal Basic Inds	16.3%	1	18.4%	0.3	13.0%	1	12.2%	12.7%	11.5%	3	15.1%	1
United States Gypsum	14.4	2	23.8	0.2	16.3	2	10.7	8.4	12.2	2	14.8	2
Gifford-Hill	12.8	3	18.2	0.4	13.1	3	9.6	6.3	14.6	1	9.5	4
Lone Star Industries	12.6	4	19.0	0.5	11.7	5	8.5	8.2	10.6	4	9.5	5
National Gypsum	12.4	5	19.5	0.4	14.4	3	9.6	7.9	8.6	5	12.3	3
Penn-Dixie Inds	def	6	5.7	0.8	5.6	6	def	1.1	3.8	6	P–D	6
Medians	**12.7**		**18.7**	**0.4**	**13.1**		**9.6**	**8.1**	**11.1**		**10.9**	
Other Building Materials												
Bird & Son	19.6%	1	13.4%	0.0	12.6%	1	18.0%	4.6%	16.3%	2	16.5%	5
Owens-Corning Fiberglas	19.0	2	17.2	0.2	13.7	2	14.3	5.3	18.5	1	23.2	2
Jim Walter	17.0	3	16.6	0.8	10.0	6	11.0	5.2	10.4	8	14.0	7
Evans Products	16.9	4	23.1	0.6	13.9	9	10.3	4.3	2.7	17	36.7	1
Congoleum	15.8	5	26.7	0.1	23.9	3	13.8	8.6	7.6	12	15.4	6

Construction—Building Materials

Yardsticks of Management Performance

	Profitability								Growth			
	Return on Equity				Return on Total Capital				Sales		Earnings Per Share	
Company	5-year average	5-year rank	latest 12 months	debt/ equity ratio	latest 12 months	5-year rank	5-year average	net profit margin	5-year average	5-year rank	5-year average	5-year rank
Ferro	15.4	6	17.3	0.1	15.2	4	13.7	5.5	14.6	3	9.8	12
Certain-teed	14.7	7	6.4	0.4	5.8	7	10.7	2.6	13.7	4	18.8	3
Interpace	13.4	8	16.4	0.5	10.0	12	8.9	6.4	7.9	11	17.3	4
H H Robertson	12.9	9	13.9	0.4	10.3	8	10.3	2.7	6.2	14	11.4	11
Masonite	12.7	10	20.5	0.0	17.0	5	11.0	9.5	11.2	7	4.0	15
PPG Industries	12.5	11	14.1	0.4	10.7	10	9.4	5.4	12.3	6	12.2	9
Johns-Manville	11.9	12	12.5	0.4	7.2	13	8.6	5.8	13.4	5	8.9	13
DeSoto	11.1	13	8.6	0.3	7.3	11	9.1	2.5	4.9	16	12.7	8
Flintkote	10.9	14	20.7	0.4	13.8	15	7.8	6.7	7.4	13	11.8	10
Armstrong Cork	10.4	15	12.3	0.2	10.1	14	8.5	5.0	10.0	9	6.3	14
Ceco	7.1	16	12.8	0.3	10.3	16	6.0	3.1	5.3	15	–6.5	16
Sherwin-Williams	3.8	17	3.9	0.8	3.4	17	3.9	0.9	9.8	10	–12.5	17
Medians	**12.9**		**14.1**	**0.4**	**10.3**		**10.3**	**5.2**	**10.0**		**12.2**	
Building Equipment												
Masco	24.3%	1	25.8%	1.0	13.1%	3	16.2%	9.9%	26.7%	1	23.1%	1
Dover Corp	24.3	2	25.6	0.2	22.1	1	20.2	8.9	14.2	2	19.7	2
Norris Industries	20.9	3	16.1	0.1	15.0	2	18.3	5.7	10.5	6	16.6	3
American Standard	20.5	4	26.5	0.4	18.4	5	14.1	5.3	4.5	7	D-P	
Butler Manufacturing	17.2	5	18.2	0.2	15.1	4	14.4	5.7	12.2	4	15.0	4
Trane	11.6	6	11.9	0.2	9.5	6	9.5	4.3	11.5	5	8.7	5
Wylain	7.2	7	8.5	0.6	6.8	7	5.9	2.3	12.9	3	–4.8	6
Medians	**20.5**		**18.2**	**0.2**	**15.0**		**14.4**	**5.7**	**12.2**		**15.0**	
Industry Medians	**13.0**		**17.3**	**0.4**	**12.4**		**10.3**	**5.7**	**11.5**		**13.0**	
All-Industry Medians	**15.1**		**16.7**	**0.4**	**11.8**		**11.0**	**5.3**	**13.1**		**13.1**	

Note: Explanation of Yardstick calculations on page 51.
P-D Profit to Deficit. D-P Deficit to Profit; not ranked. def Deficit.

homes, such as town houses, cost less and sell better in a tight market.

Pittsburgh-based Ryan Homes, a conservatively managed company that hasn't suffered an earnings decline in years, is a good example of why diversified builders ought to survive well in 1980. If Ryan were operating only in unemployment-ridden Pittsburgh, the company would be in big trouble. But it's also building in Charlotte and in Atlanta, two strong markets. Ryan Chairman Malcolm M. Prine thinks his company will do "slightly better" in 1980 than last year.

The least optimistic of the big three home builders is Centex. Chairman Frank Crossen thinks 1980 starts will total about 1.25 million. Like other big builders, Centex is playing it safe by concentrating on FHA-VA homes, with their low down payments and easy financing. Centex learned a bitter lesson in 1975 when it jumped into the sexy high-rise condo market and, halfway through construction, got caught in the bust. "When money gets tight you just can't quit building at the tenth floor of a 30-story condo," says Crossen. "At least with detached homes you can stop building if sales fall off."

For home buyers there is one bright spot in the housing falloff. Mill prices of lumber, which peaked late last summer, have headed down along with housing starts. Plywood fell 14% while green Douglas fir two-by-fours tumbled 51%. Price breaks aren't likely to follow in manufactured materials, but as Ryan's Prine puts it, "We're not going to take some of these price increases in a slack housing market. The demand's just not there. We'll find some other suppliers." Unfortunately costs of labor and land are both rising, exceeding materials cost in the average new home, so don't look for home prices to fall.

What of the building materials suppliers? It's a cinch that many of them will have down years, simply because housing starts are falling. But because many of them reaped fat profits in 1978-79, these companies are improving their manufacturing facilities, which means more efficiency. "For the early '80s, we're budgeting about $100 million a year for capital spending," says U.S. Gypsum's Chairman Graham J. Morgan. "A few years ago we couldn't spend more than $50 million."

Perhaps more important, they've had the money to slide into the fast-growing repair and remodeling sectors. For instance, today less than 40% of National Gypsum's business is dependent on new home starts, principally because the company has pushed into such areas as ceramic tile and vinyl products, both used extensively in commercial building and remodeling.

National Gypsum's President John P. Hayes says he thinks the repair and remodeling business will grow as large as new residential construction by the mid-Eighties. "The nation's stock of housing and commercial buildings is rising, and that helps the repair and remodeling business," he says. "Plus with today's housing values, owners have an equity to borrow against if they want to add on or remodel." Masonite President Robert Rasmus says his company's emphasis on the remodeling and repair sectors is one reason Masonite will be hurt "far less this year than we were five years ago."

Companies such as Evans Products ought to do particularly well. More than half of Evans' sales are housing-related, with the majority in do-it-yourself lines ranging from partially completed homes to components sold through Evans' home centers. Chairman Monford A. Orloff says Evans' do-it-yourself sales "are up substantially." He adds that Evans has all the mortgage and construction financing it needs for its partially completed homes, and thinks interest rates have peaked.

The cement industry, which sells about one-third of its product to the new home market, will cool off for the first time in several years. The Portland Cement Association predicts cement usage will slip about 2% to 4% this year, which will put factories back on more normal operating schedules. Most of the last two years of allocation has ended, except for a few spots such as the West Coast. "Our people in the field don't feel pessimistic yet," says Ideal Basic Industries CEO and President John A. Love, "but if the Fed's current monetary policy remains in place much longer, we will be affected." Industry capacity isn't likely to expand much, because many obsolescent plants are being closed while sky-high costs hold down construction of new ones. When new home starts strengthen in a year or so, cement supply is almost certain to be tight.

"We rather welcome the opportunity to see what kind of company we are today. We'll put to the test the changes that we've made in the last five years."—Masonite Corp. President Robert N. Rasmus

Heavy construction should fare reasonably well, because 1980's earnings will flow from projects started a year or two ago. If there has been a disappointment for heavy contractors it is that an expected capital spending spree never materialized. Profits in some heavy industries have been so slim that boards apparently could not justify building new facilities.

Among the contractors' biggest problems today is getting customers to acknowledge their bills and pay them promptly. "In 1979 we lost about 50 cents a share in net earnings because some of our customers have money managers who find ways to hold back payments," explains Fischbach & Moore Executive Vice President Philip Heller. "That forces us to borrow at these high interest rates. None of this was contemplated a year or two ago when the same customers signed the contracts," he complains.

For all the talk of a "soft landing" scenario, the stock market's view isn't quite so sanguine as that of building industry CEOs. Look at the companies' P/Es: U.S. Gypsum and U.S. Home at 4; Lone Star Industries at 5; Morrison-Knudsen and Armstrong Cork at 6 and Masonite at 7. During the last year all six companies have been busy buying back their own stock. Come next year we'll see what kind of bargain that was. ■

Construction—Contractors

Yardsticks of Management Performance

	Profitability								Growth			
	Return on Equity				Return on Total Capital				Sales		Earnings Per Share	
Company	5-year average	5-year rank	latest 12 months	debt/ equity ratio	latest 12 months	5-year rank	5-year average	net profit margin	5-year average	5-year rank	5-year average	5-year rank
Heavy Construction												
Parsons	32.4%	1	26.5%	0.3	22.2%	1	23.2%	3.4%	18.4%	11	34.7%	4
Parker Drilling	26.1	2	24.2	0.8	14.8	7	14.5	11.8	35.2	2	36.6	2
Halliburton	24.4	3	19.3	0.1	15.9	3	19.4	5.0	26.2	5	30.7	8
Fluor	23.7	4	23.2	0.0	20.5	2	22.0	2.9	32.6	3	34.0	5
J Ray McDermott	21.6	5	0.5	0.3	2.8	4	16.6	1.1	36.3	1	29.8	9
Raymond Intl	21.6	6	16.8	0.4	12.2	6	15.6	2.4	21.0	8	65.8	1
Blount	21.4	7	22.8	0.5	14.6	9	12.5	2.3	9.3	16	18.0	13
Santa Fe Intl	18.5	8	3.3	0.7	2.7	11	10.8	2.4	21.7	7	27.4	10
C F Braun	18.5	9	12.0	0.0	8.7	8	13.7	4.2	18.7	10	32.4	6
Turner Construction	16.1	10	18.7	0.0	18.8	5	16.1	0.4	7.0	17	6.1	15
SEDCO	16.0	11	2.4	0.9	3.3	14	9.8	2.3	22.0	6	18.2	12
Morrison-Knudsen	14.3	12	16.9	0.3	14.2	12	10.7	2.0	15.1	13	27.0	11
Fischbach & Moore	14.1	13	13.5	0.3	10.9	13	10.6	1.7	10.4	15	5.5	16
Dravo	13.7	14	13.5	0.1	13.2	10	11.0	2.7	15.6	12	15.6	14
United States Filter	9.5	15	9.0	0.5	6.9	15	8.7	3.5	27.2	4	35.8	3
Perini	7.8	16	7.7	0.1	6.3	16	6.4	1.2	12.7	14	31.5	7
Dynalectron	6.0	17	3.5	0.8	3.6	17	5.4	0.3	20.6	9	–3.1	17
Medians	**18.5**		**13.5**	**0.3**	**13.2**		**12.5**	**2.4**	**20.6**		**29.8**	
Home Building												
Ryan Homes	20.2%	1	21.0%	0.2	17.8%	1	17.9%	4.0%	16.5%	3	13.7%	3
Centex	19.3	2	21.4	1.0	8.5	3	9.1	3.3	20.5	1	18.0	1
U S Home	16.6	3	28.2	0.8	15.8	4	8.8	4.5	17.3	2	14.6	2
Del E Webb	10.8	4	9.2	0.8	10.3	2	9.9	2.1	6.4	5	11.3	4
Kaufman & Broad	7.6	5	10.3	0.1	7.4	5	6.1	3.5	8.5	4	10.7	5
Medians	**16.6**		**21.0**	**0.8**	**10.3**		**9.1**	**3.5**	**16.5**		**13.7**	
Industry Medians	**17.6**		**15.2**	**0.3**	**11.6**		**10.9**	**2.6**	**18.6**		**22.6**	
All-Industry Medians	**15.1**		**16.7**	**0.4**	**11.5**		**11.0**	**5.3**	**13.1**		**13.1**	

Note: Explanation of Yardstick calculations on page 51.

When a new development comes along, federal agencies act like aroused tomcats. You can hear the screeching and hissing for miles around.

Finance

Securities & Exchange Commission Chairman Harold M. Williams was completely unprepared. The occasion was the annual convention of the Securities Industry Association, and he was heading into the conference room at the Boca Raton Hotel and Club for an informal chat with reporters. Williams did a double take. There, on one side of the room, was a makeshift throne, fashioned of armchairs and potted palms. Williams' look of surprise turned into a grin. He didn't have to be told what the throne symbolized: the empire-building tendencies of his and other federal agencies. The joke wasn't aimed at Williams; he has been a sensible regulator. It was aimed at the career bureaucrats who staff most of the federal agencies that regulate finance.

In the old days, the boundaries between one part of the financial industry and another were fairly clear. There was banking. There was brokerage. There was insurance. There were stock mutual funds, thrifts, credit unions. But where are the boundaries now? Merrill Lynch currently offers something called a Cash Management Account. It is, essentially, a margin account, but it pays dividends on a cash management money fund and offers checkwriting and VISA card privileges. What kind of animal is it? Banker? Or broker?

When the boundaries *were* clear, there was no quarrel over who was to do the regulating. The SEC regulated the brokers and mutual funds. The Federal Reserve, the Office of the Comptroller of the Currency and the Federal Deposit Insurance Corp. regulated banks. A few banks and all insurance companies were under state control. But who regulates a Merrill Lynch Cash Management Account? Who? The Fed or the SEC?

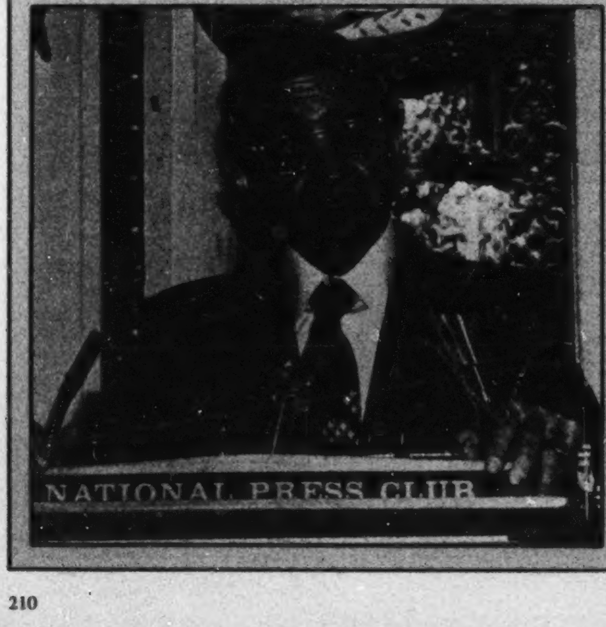
The SEC is also fighting the Commodity Futures Trading Commission for jurisdiction over many types of futures dealings. Who should oversee a mutual fund of commodities futures contracts? Both organizations assert jurisdiction. What about a mutual fund whose portfolio consists of U.S. Treasury issues? "It's ours," says the SEC. "Nonsense," says the Treasury Department.

It's a real donnybrook. Listen to David G. Gartner, an outspoken Commodity Futures Trading Commissioner: "The Federal Reserve Board has expressed regulatory interest in the futures market in GNMA certificates, the Department of the Treasury in Treasury notes, bills and bond futures. And the Securities & Exchange Commission in proposed futures contracts in stock indices or securities."

The ubiquitous (some would say obnoxious) Federal Trade Commission has gotten into the financial act, too. It has asked Congress for legislation making it mandatory that small businessmen be told which private credit agency's report resulted in denial of credit—a back door into jurisdiction over industries that are supposed to be other agencies' turf.

The FTC has also blustered its way into life insurance. Insurance operations are solely under the jurisdiction of state commissioners, but that didn't stop the FTC from issuing a

Not just another empire, he protests



The Securities & Exchange Commission has decided it cannot function without an overview of the economy and the economic effect of each of its decisions. To get this information, the agency is finally staffing its long-existing economic organization, building it to 46 professionals to do the job.

"I know there are underutilized economists in government service, but we need those with special skills who know securities and economics," says SEC Chairman Harold M. Williams.

The Directorate of Economic and Policy Research's task is to evaluate, among other things, the impact of trade practices on earnings and capital of securities firms.

"More and more, the regulator is asked to leave the comparatively narrow and familiar scope of a single industry and join in more expansive public policy debates," says Williams. That is why the SEC has told Congress that if commercial banks were given permission to underwrite municipal revenue bonds, smaller broker-dealers—presumably those which are now marginally profitable—could be forced out of business. Williams argues—with some merit—that loss of these revenues could weaken brokers and damage the U.S. capital-raising mechanism. That's why he wants an economics research section.

Of course, the SEC's critics see it differently. They think the regulatory agency is just empire building.

Finance—Banks

Yardsticks of Management Performance

	Profitability								Growth			
	Return on Equity				Return on Total Capital				Sales		Earnings Per Share	
Company	5-year average	5-year rank	latest 12 months	debt/ equity ratio	latest 12 months	5-year rank	5-year average	net profit margin	5-year average	5-year rank	5-year average	5-year rank
New York Banks												
Citicorp	15.9%	1	15.5%	1.0	9.7%	4	11.0%	5.1%	19.3%	1	12.7%	1
J P Morgan & Co	15.4	2	15.7	0.3	13.4	1	12.9	8.8	15.9	4	11.0	2
Mfrs Hanover Corp	14.7	3	14.6	0.5	11.5	2	11.6	5.9	17.7	2	10.6	3
Bank of New York	12.8	4	13.8	0.2	12.2	3	11.0	6.4	12.5	6	4.8	6
Irving Bank Corp	12.6	5	14.3	0.5	10.7	5	9.7	5.6	10.[illegible]	8	9.8	4
Chemical New York	11.7	6	12.1	0.5	8.9	6	9.1	4.3	16.7	3	6.2	5
Chase Manhattan	10.3	7	14.6	0.4	11.1	7	8.2	5.1	14.4	5	2.6	7
Bankers Trust NY	9.9	8	13.0	0.4	10.0	8	8.2	4.3	12.1	7	1.2	8
Marine Midland Banks	4.9	9	7.8	0.9	5.8	9	4.3	2.7	6.3	9	–12.9	9
Medians	**12.6**		**14.3**	**0.5**	**10.7**		**9.7**	**5.1**	**14.4**		**6.2**	
Regional Banks												
BankAmerica Corp	17.7%	1	18.8%	0.4	14.4%	6	13.8%	6.6%	17.5%	5	14.7%	6
Texas Commerce Bshs	17.5	2	18.1	0.1	16.6	1	16.4	10.8	27.5	1	14.8	5
Michigan National	17.4	3	16.9	0.4	13.0	7	13.7	9.2	14.0	17	13.6	7
U S Bancorp	17.4	3	18.0	0.5	12.9	3	13.9	12.6	14.5	15	14.9	4
First Intl Bancshares	17.2	5	17.9	0.4	14.3	5	13.8	9.5	22.6	3	13.4	8
Republic of Texas	16.7	6	15.2	0.3	12.5	4	13.9	8.0	20.0	4	15.4	2
Seafirst	15.7	7	16.5	0.2	15.8	2	15.4	9.1	15.7	8	12.6	10
Continental Illinois	15.7	8	15.7	0.4	12.5	10	13.3	6.4	17.2	7	12.5	11
First City Bancorp	15.5	9	16.5	0.2	14.6	9	13.4	8.7	23.1	2	12.9	9
Valley National Bank Ariz	15.3	10	19.4	0.2	17.2	12	13.1	10.0	12.2	23	11.3	14
Rainier Bancorp	15.1	11	15.3	0.2	13.2	11	13.2	8.3	15.7	9	16.7	1
Northwest Bancorp	14.9	12	15.7	0.4	12.1	16	12.0	9.6	15.1	10	11.4	13
Crocker National Corp	14.8	13	22.2	0.4	14.6	24	10.3	7.9	13.9	18	10.8	16
First Bank System	14.8	14	16.2	0.3	13.2	15	12.1	10.4	13.4	19	9.4	19
Wells Fargo	14.7	15	16.5	0.5	12.0	22	11.0	6.5	15.0	11	15.0	3
Security Pacific	14.1	16	17.2	0.4	12.6	17	12.0	7.0	15.0	13	12.4	12
DETROITBANK Corp	14.1	17	15.5	0.1	14.3	8	13.6	10.7	12.1	24	10.8	15
Western Bancorp	13.9	18	18.0	0.4	13.8	20	11.3	7.8	11.8	27	10.3	17
Wachovia Corp	13.8	19	14.6	0.1	14.2	14	12.6	10.5	10.5	31	9.8	18
Manufacturers National Corp	13.8	20	14.8	0.2	12.7	19	11.5	8.6	12.0	25	9.2	20
Pittsburgh National	13.6	21	15.0	0.1	14.3	13	12.9	10.4	13.0	20	8.8	22
National Detroit Corp	12.8	22	13.1	0.1	12.0	21	11.1	9.5	9.5	34	9.1	21
NCNB	12.5	23	17.0	0.8	11.2	30	8.7	8.5	11.1	30	5.6	30
First Chicago Corp	12.4	24	11.3	0.3	9.5	25	10.2	5.3	15.0	12	8.2	24
Philadelphia National	12.0	25	13.7	0.6	9.8	29	9.4	7.4	11.9	26	4.0	32
Northern Trust	11.9	26	10.7	0.2	9.4	23	10.4	6.1	11.3	28	7.1	27
AmeriTrust Corp	11.6	27	11.6	0.0	11.6	18	11.6	11.8	12.5	22	8.4	23
Harris Bankcorp	11.3	28	9.2	0.2	8.4	27	9.7	5.4	12.5	21	6.3	29
Girard	11.2	29	15.4	0.6	11.0	31	8.4	7.9	9.6	33	4.1	31
Mellon National Corp	11.0	30	12.2	0.2	11.0	28	9.5	9.0	9.9	32	7.7	25
BancOhio Corp	10.9	31	10.9	0.1	10.0	26	10.1	7.5	14.5	15	6.3	28
First National Boston	10.3	32	13.6	0.9	8.9	32	7.5	5.4	14.6	14	3.0	33
Southeast Banking	9.6	33	14.7	0.8	10.2	33	7.5	8.1	17.3	6	–1.0	35
BanCal Tri-State	9.5	34	11.7	0.6	8.7	35	7.3	5.9	7.1	38	7.5	26
First Wisconsin Corp	9.1	35	12.0	0.5	9.4	34	7.4	5.4	8.9	35	1.9	34
First Penna Corp	7.7	36	6.6	0.8	5.9	36	6.2	2.5	11.3	29	–9.7	36
Citizens & Southern NB-Ga	5.4	37	9.5	0.1	8.8	37	5.4	5.0	7.8	36	–15.0	37
Fidelcor	2.8	38	def	0.6	def	38	3.0	def	7.4	37	–26.7	38
Medians	**13.8**		**15.3**	**0.4**	**12.3**		**11.4**	**8.1**	**13.2**		**9.3**	
Industry Medians	**13.6**		**14.8**	**0.4**	**12.0**		**11.0**	**7.8**	**13.4**		**9.2**	
All-Industry Medians	**15.1**		**19.7**	**0.4**	**11.8**		**11.0**	**5.3**	**13.1**		**13.1**	

Note: Explanation of Yardstick calculations on page 51.
def Deficit.

report that charged inadequate life insurance company policy cost disclosure. This, naturally, angered the commissioners.

While the FTC battles with the National Association of Insurance Commissioners, the SEC is objecting to commercial bank marketing of guaranteed investment contracts, which are single-premium annuities with a guaranteed rate of return.

The proliferation of high-interest-bearing money market mutual funds, money market certificates offered by thrift institutions and credit unions, and the sale of federal agency securities is unsettling to officials like Fed Chairman Paul A. Volcker. He feels that enormous amounts of money are escaping the Fed's reach and are beyond control when the central bank wishes to stimulate or to restrain economic activity.

Last summer G. William Miller, who was then chairman of the Federal Reserve Board, warned Congress of the proliferation of deposit-type instruments. He suggested some form of central bank control over them. For example, the large sums invested in money instruments and money market funds are handled as deposits, subject to checking withdrawal.

The Investment Company Institute is battling the SEC, the CFTC and the banking agencies over a mutual fund specializing in speculation in commodity futures. The Boston Futures Fund, underwritten by Thomson McKinnon Securities Inc., requested advice from the SEC about exemption from registration. The SEC replied that Boston Futures Fund and its adviser need not register under the Investment Company & Investment Advisers Act, provided that the fund limits its investment in futures contracts on securities to U.S. Treasury GNMA and commercial paper. The odd circumstance is that money market funds that invest in the actual Treasury securities—not in contracts for future delivery—have regularly been registering with the SEC.

A refreshing exception to the interagency squabbling is in banking. There, the five major regulators have formed the Federal Financial Institutions Examination Council to cover questions of interest to the entire financial industry sphere. Joint announcements covering government guaranteed loans, electronic funds transfer and a uniform rating system for financial institutions are among dozens of harmonious decisions.

But this is an exception. Nearly everywhere else among the regulatory agencies, the scene is like a back alley with a bunch of tomcats stalking a lady cat in heat. Much hissing and clawing and screeching, with everybody after the same girl. All, of course, in the name of protecting the public. ■

Finance—Consumer Finance

Yardsticks of Management Performance

	Profitability								Growth			
	Return on Equity				Return on Total Capital				Sales		Earnings Per Share	
Company	5-year average	5-year rank	latest 12 months	debt/ equity ratio	latest 12 months	5-year rank	5-year average	net profit margin	5-year average	5-year rank	5-year average	5-year rank
Finance Companies												
Household Finance	15.7%	1	17.4%	2.0	7.2%	1	7.3%	3.7%	12.4%	2	9.0%	2
Beneficial Corp	13.6	2	14.2	2.5	6.1	3	6.3	5.1	6.7	4	4.0	4
CIT Financial	12.3	3	16.9	2.2	7.6	2	6.3	24.5	6.9	3	4.3	3
Control Data	7.4	4	11.0	0.4	8.6	4	6.0	3.8	13.0	1	16.0	1
Medians	**13.0**		**15.6**	**2.1**	**7.4**		**6.3**	**4.5**	**9.7**		**6.7**	
Financial Services												
Marsh & McLennan	32.6%	1	35.3%	0.0	35.2%	1	32.2%	15.6%	15.2%	11	15.3%	14
Shearson Hayden Stone	26.5	2	29.3	1.1	20.0	4	15.7	6.6	34.6	1	62.6	2
American Financial	26.1	3	64.2	1.9	14.8	16	8.2	8.6	27.5	2	21.9	6
Avco	23.0	4	21.5	3.0	6.9	17	7.8	6.2	5.5	20	D-P	
E F Hutton Group	22.9	5	20.5	0.4	16.1	2	18.3	4.5	24.5	3	26.2	4
Baldwin-United	21.4	6	26.7	0.5	16.5	5	14.7	9.1	19.4	6	17.7	9
American Express	19.6	7	21.9	0.3	17.5	3	16.3	7.6	15.7	10	16.9	11
Paine Webber	18.0	8	16.9	0.4	12.6	11	13.2	2.7	22.1	4	32.2	3
Transamerica	16.3	9	19.7	0.8	12.1	15	10.2	5.9	10.9	18	24.2	5
Imperial Corp of Am	16.2	10	17.1	0.3	14.1	6	14.0	13.1	20.1	5	21.0	7
Federal Natl Mortgage	15.9	11	13.2	24.3	4.[illegible]	20	4.2	4.4	14.4	13	11.3	16
H F Ahmanson	15.1	12	15.8	0.6	11.5	10	13.3	10.2	18.9	7	16.8	12
First Charter Finl	14.8	13	13.3	0.6	9.8	7	13.8	11.9	17.6	9	16.6	13
Great Western Financial	14.3	14	16.5	0.2	14.4	12	13.1	11.2	15.0	12	17.2	10
Merrill Lynch & Co	14.0	15	14.0	0.0	13.9	8	13.7	5.3	14.4	14	8.9	17
Walter E Heller Intl	13.9	16	13.9	2.8	6.7	18	7.3	6.3	11.6‡	16	4.9‡	19
Dean Witter Reynolds	13.7	17	7.1	0.1	7.4	9	13.4	2.2	18.5	8	11.8	15
Sears, Roebuck	12.6	18	12.3	0.3	10.1	13	10.5	5.0	7.8	19	6.1	18
Bache Group	7.5	19	9.2	0.2	9.1	19	7.1	2.5	12.5	15	18.3	8
Reliance Group	3.1	20	34.8	1.1	15.2	14	10.3	6.9	11.3	17	140.5	1
Medians	**16.1**		**17.0**	**0.5**	**13.3**		**13.3**	**6.7**	**15.5**		**17.2**	
Industry Medians	**15.4**		**16.9**	**0.8**	**11.8**		**11.8**	**6.4**	**14.7**		**16.8**	
All-Industry Medians	**15.1**		**16.7**	**0.4**	**11.8**		**11.0**	**5.3**	**13.1**		**13.1**	

Note: Explanation of Yardstick calculations on page 51.
‡Four-year growth. D-P Deficit to Profit; not ranked.

Finance—Insurance

Yardsticks of Management Performance

	Profitability								Growth			
	Return on Equity				Return on Total Capital				Sales		Earnings Per Share	
Company	5-year average	5-year rank	latest 12 months	debt/ equity ratio	latest 12 months	5-year rank	5-year average	net profit margin	5-year average	5-year rank	5-year average	5-year rank
Life												
American Family	29.0%	1	24.7%	0.1	22.6%	1	27.6%	7.9%	40.8%	1	22.9%	1
Combined Insurance	21.9	2	22.2	0.0	21.8	2	21.3	13.4	12.5	4	12.9	6
Provident Life & Accident	18.8	3	18.5	0.0	18.5	3	18.8	7.9	9.1	11	17.7	3
USLIFE	16.8	4	17.5	0.4	13.5	6	13.5	11.6	12.2	5	11.8	9
Republic National Life	14.5	5	17.2	0.0	17.2	4	14.5	4.6	3.6‡	16	14.6‡	5
Southwestern Life	14.5	6	14.5	0.0	14.5	5	14.5	10.6	5.8	15	11.5	10
Jefferson-Pilot	13.6	7	14.4	0.0	14.3	7	13.5	12.8	10.1	9	12.4	7
Gulf United	13.3	8	16.5	0.5	13.7	11	11.3	12.3	12.2	5	4.7	16
Capital Holding Corp	13.2	9	13.5	0.0	13.2	8	13.0	16.2	8.6	13	12.3	8
Liberty National Life	12.6	10	12.7	0.0	12.7	9	12.6	14.9	9.7	10	9.8	14
American National Ins	12.3	11	15.3	0.0	15.3	10	12.2	12.8	10.2	8	17.4	4
NLT	11.5	12	11.6	0.0	11.2	12	11.3	17.2	8.9	12	11.2	12
Business Men's Assurance	11.2	13	18.8	0.1	18.0	14	9.9	10.7	7.1	14	21.8	2
Washington National Corp	10.5	14	13.2	0.0	11.9	15	9.2	3.6	20.2	2	6.6	15
PennCorp Financial	10.3	15	14.6	0.7	10.4	16	9.2	7.9	15.6	3	11.2	11
Nationwide Corp	9.9	16	10.9	0.0	11.3	13	10.0	5.6	11.0	7	10.9	13
Medians	**13.3**		**15.0**	**0.1**	**14.0**		**12.8**	**11.2**	**10.2**		**12.1**	
Fire & Casualty												
Ohio Casualty	23.7%	1	29.4%	0.0	28.8%	2	23.0%	10.0%	16.7%	4	16.7%	7
U S Fidelity & Guaranty	23.5	2	27.9	0.0	27.9	1	23.6	10.6	14.4	7	22.1	1
General Reinsurance	21.5	3	23.0	0.0	22.3	4	20.6	13.6	18.1	2	21.4	2
Kemper Corp	21.4	4	24.2	0.0	24.4	3	21.2	6.9	19.8	1	20.9	3
Republic Finl Services	19.3	5	22.3	0.4	17.1	8	15.1	6.5	17.5	3	13.1	9
Crum & Forster	19.2	6	25.7	0.0	24.6	5	18.1	8.1	13.8	8	16.9	6
Hanover Insurance	18.8	7	20.8	0.0	20.2	6	17.8	6.3	14.9	6	17.7	5
ERC	17.8	8	22.8	0.1	21.3	7	16.0	8.9	16.6	5	19.4	4
Continental Corp	14.5	9	17.8	0.1	16.2	9	13.3	8.9	11.0	10	14.3	8
NN Corp	12.4	10	21.5	0.2	17.5	10	12.3	6.4	13.3	9	4.4	10
GEICO	3.8	11	53.8	0.2	22.4	11	def	9.1	6.7	11	P–D	11
Medians	**19.2**		**23.0**	**0.1**	**22.3**		**17.8**	**8.9**	**14.9**		**16.9**	
Multiple Line												
Colonial Penn Group	27.8%	1	23.7%	0.0	23.7%	1	27.3%	10.1%	25.6%	1	21.1%	3
American Intl Group	27.0	2	23.4	0.1	21.7	2	24.6	10.0	21.0	2	24.2	1
St Paul Companies	22.7	3	20.4	0.2	17.9	4	20.0	9.2	15.2	4	19.6	4
Farmers Group	21.5	4	19.8	0.0	19.4	3	20.4	23.1	13.1	7	18.4	7
CNA Financial	19.1	5	31.4	0.3	15.1	13	10.5	6.4	6.4	13	D–P	
Aetna Life & Casualty	18.7	6	23.0	0.1	20.5	5	16.9	5.1	13.8	5	19.0	5
Safeco	18.2	7	21.0	0.3	17.0	8	14.3	10.8	13.1	8	21.2	2
Amer General Insurance	17.1	8	20.0	0.2	14.9	10	13.1	8.6	12.6	10	18.6	6
Chubb	16.7	9	20.0	0.1	18.7	7	15.1	8.2	11.7	11	16.0	8
Connecticut General	16.3	10	15.3	0.0	15.0	6	15.7	5.1	13.2	6	15.9	9
Travelers	14.6	11	18.4	0.0	17.4	9	13.8	4.9	11.6	12	15.4	10
INA	13.1	12	17.8	0.3	14.4	11	12.1	5.1	16.6	3	9.4	12
Lincoln National Corp	11.6	13	13.6	0.0	12.4	12	10.9	6.7	12.7	9	9.4	11
Medians	**18.2**		**20.0**	**0.1**	**17.4**		**15.1**	**8.2**	**13.1**		**18.5**	
Industry Medians	**16.8**		**19.9**	**0.1**	**17.3**		**14.4**	**8.9**	**12.9**		**15.0**	
All-Industry Medians	**15.1**		**16.7**	**0.4**	**11.8**		**11.0**	**5.3**	**13.1**		**13.1**	

Note: Explanation of Yardstick calculations on page 51.

‡Four-year growth. P-D Profit to Deficit. D-P Deficit to Profit; not ranked. def Deficit.

If ever there was an industry where stock market prices understate underlying values, it is this one. The recession? It's a problem but not a bad problem.

Media

IT'S HARD TO FIND A MAJOR NEWSPAPER, magazine or television chain that isn't taking in rollicking amounts of cash these days, but you'd never know it from the stock market.

Look at the Times Mirror Co. Over the last five years, earnings have almost tripled as the revitalized Chandler empire diversified beyond its newspaper base and a clutch of other more specialized publishing pursuits into one of the most promising video and cable TV enclaves in the business. What's the stock selling for? About 8 times earnings, close to parity with a multiple of 7.4 for the indiscriminate mass of Standard & Poor's 500 stock average.

Or take Time Inc. It has consistently clocked a very solid return on equity while expanding from magazines into forest products, book publishing and a video operation that may ultimately turn out to be one of the company's biggest profit centers. Yet the stock is selling for only nine times earnings, again at a meager premium over the market as a whole.

No wonder savvy analysts like John S. Reidy of Drexel Burnham Lambert are urging customers to take a closer look at the more aggressively run media outfits as being worth a lot more than they're selling for. While most of these chains themselves are trading at historically low multiples, try and

Heavy seas for the "Superstation" captain?

As one of the nation's best-known sailors, R.E. (Ted) Turner III is good at "covering"—the strategy of keeping a lead by cutting off an opponent's wind. The strategy that helped the expansive Georgian earn the Yachtsman of the Year title three times in the last decade may force the big three networks to look again at their own marketing charts.

Seizing on the cable TV and satellite transmission technologies, the 41-year-old onetime outdoor-advertising salesman is pushing his Atlanta-based WTBS far beyond its natural boundaries into product-hungry cable systems in 48 states. Thanks to the reach of RCA's SATCOM I, Turner's Channel 17 signal is now receivable by some 6 million sets (8% of the total television homes in the country). Many more are on the horizon.

The market for what Turner calls his "Superstation" is growing fast and siphoning off advertising dollars that might have gone to the networks. "We have more than doubled our total cable coverage since last year," says Turner. Weather eye cocked to his audience numbers, he laughs, "Life is an adventure." Then, he says, "We will be very, very much larger in a very, very quick period of time. By May 1980 we will be in one of every ten homes in the country on a full-time basis."

Optimism comes easy to a man who turned two small radio stations into a broadcasting operation appraised at over $66 million. Turner, who owns 87% of the stock (worth $82 million) of the Turner Broadcasting System, also acquired along the way the Atlanta Hawks basketball team, the Atlanta Braves baseball team and a limited partnership in a soccer team called the Atlanta Chiefs.

The diversification into sports teams was smart programming. Turner's teams winning or losing, on the field and on the books, are a mainstay of WTBS' revenues: Viewers in Hawaii or Fargo, N. Dak. are happily tuning in the Hawks and Braves if only to watch some of the other competitors they play. Viewers can also see vintage movies.

Turner's been arguing since January 1979 that his quasi-network is just the low-priced ticket national advertisers need as one alternative to rising costs of network time.

The concept has not been easy to sell. Initially, a majority of his national prospects balked, thinking the markets offered were too fragmented to provide much promotional leverage. "There's still a lack of understanding on some advertisers' part," Turner concedes. But his pitch may be making headway. Last fall, the number of national advertisers jumped from 35 to 150 and, says Turner, Anheuser-Busch signed up for around $4.4 million worth of WTBS air over the next three years.

But sports teams, Turner knows, won't a national network make—not entirely. He's been upgrading the mix with PBS serials and a daily, commercial-free hour of children's educational programs; emphasizing adult, issues-oriented programming; and selling his station as a major outlet for controversial viewpoints denied time by the major networks. Now there are plans for the Cable News Network.

At the moment, Turner is in something of a squeeze. Though revenues expanded from $7.8 million to $33.8 million between 1974 and 1978, there was a deficit in 1977. More red ink will come. "For 1979 we'll probably lose $1 million. This year we're going to lose even more," says Turner, mindful of the startup costs of his new news network. The payoff may be a long way out. Turner's growth has inevitably brought competitors into the market. Superstations have been multiplying. Where once there was only Turner, there are now three more: WGN-TV, Chicago; WOR-TV, New York; and KTVU, San Francisco.

Turner still seems to have a lead, but now there are plenty of shrewd sailors trying to take the wind out of *his* sails.

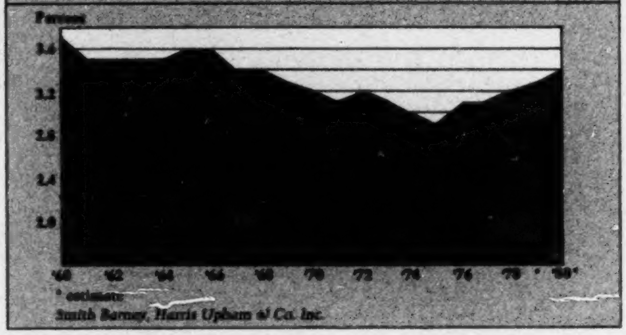
buy even a modest-size newspaper or VHF station of the kind they own at less than 20 or 25 times earnings.

The underlying value on media properties has risen so high so fast that balance sheets of some conglomerates have been twisted totally out of shape by their media holdings. J.B. Fuqua, for example, recently came to the startled recognition that the radio and TV stations in his mélange of trucking, photofinishing and sporting goods outlets had become so rich he almost literally could no longer afford to own them.

Independent appraisals put the market value of his five stations at more than $60 million—about 30% of the total market value of the conglomerate's stock. At the same time, the stations generate only about 2.5% of the company's income. The spread is so wide that John Fuqua hopes to capitalize on it by selling the stations and earmarking at least some of the proceeds to buy in more of his conglomerate's common.

There's always soap

In recessions 1966-67, 1969-70 and 1974-75, ad budgets fell hard relative to GNP or PCE. This time the competitive press may mean ad budgets go up. But don't bet on it.



* estimate

Smith Barney, Harris Upham & Co. Inc.

Share buy-ins are common among the media conglomerates these days. Capital Cities Communications, for example, announced last spring that it planned to pick up another 600,000 shares of its common in the market to add to the 2 million shares it bought between 1976 and 1978. More will be bought this year. The aim is not to boost per-share earnings, which generally are hardly in need of accounting hype, as to build a reasonably respectable market price.

Not that there are no clouds on the media horizon. The immediate question is: What will the recession do to advertising revenues? The debate is not academic. For all their conglomerate spread, the media companies without exception are still heavily dependent for their bread on the $50 billion or so a year that the industry is spending on advertising.

The old Wall Street adage is that a recession means a decline in advertising spending. Historically, that has been the case. In the 1966-67, 1969-70 and 1974-75 recessions, advertising did indeed drop much more sharply than either gross national product or consumer personal spending *(see chart)*.

The cutbacks tend to be particularly severe among such major durables producers—and advertisers—as Ford and General Motors. Ford's outlay, for example, according to the annual tally made by *Advertising Age*, dropped from $132.5 million to $106.5 million in 1966-67, from $112.1 million to $90.3 million in 1969-70 and from $132 million to $91 million in 1974-75. "If you are as capital intensive as we are," says John R. Bowers, director of Ford's advertising and merchandising strategy office, "there are very few other places you can cut costs."

Will the decline be as severe this time? That remains to be seen. As Robert J. Coen, a senior vice president of McCann-Erickson, Inc., notes, recession wasn't the only specter haunting advertising budgets in the past. "The annual growth rate slowed perceptibly in the Sixties, and for more than a decade, from 1961 to 1975," says Coen, "advertising grew more slowly than the economy."

Markets were expanding at a rapid rate during that period for a variety of reasons (the big demographic push of the postwar baby boom, the pull of the Vietnam War). Demand for almost everything was so high that it took a lot less advertising money to produce a dollar of sales.

All of that ended in 1976, and "for the last three years, advertising has again been growing at a faster rate than the economy," the McCann-Erickson executive continues. Competition has become much hotter, and it takes more spending to hold market share. Thus it is Coen's thesis that "advertising will by and large not be negatively affected by the recession." His advice: Don't necessarily assume that *this* recession will hurt advertising as badly as other recent recessions have.

A number of Wall Street analysts agree with that thesis, and it's the big reason why they think many media stocks are a buy

Media

Yardsticks of Management Performance

	Profitability								Growth			
	Return on Equity				Return on Total Capital				Sales		Earnings Per Share	
Company	5-year average	5-year rank	latest 12 months	debt/ equity ratio	latest 12 months	5-year rank	5-year average	net profit margin	5-year average	5-year rank	5-year average	5-year rank
Broadcasting												
Metromedia	24.7%	1	35.9%	1.3	15.0%	3	14.9%	9.5%	11.8%	4	31.5%	1
CBS	23.7	2	20.7	0.1	18.0	1	20.1	5.4	13.8	2	16.3	5
American Broadcasting	20.6	3	25.0	0.3	20.3	2	16.1	8.2	12.8	3	22.1	3
RCA	16.6	4	18.5	0.7	12.2	5	10.7	4.0	8.9	5	23.6	2
Outlet	15.5	5	11.8	0.8	8.2	4	10.7	2.5	22.0	1	19.2	4
Medians	**20.6**		**20.7**	**0.7**	**15.0**		**14.9**	**5.4**	**12.8**		**22.1**	
Publishing												
Dow Jones	30.2%	1	32.1%	0.1	29.7%	1	27.7%	11.9%	14.7%	8	13.2%	13
Deluxe Check Printers	27.2	2	26.9	0.0	25.1	2	25.5	10.3	15.7	7	18.2	6
Washington Post	25.4	3	27.0	0.1	21.7	7	18.7	8.4	14.5	9	30.6	3
Dun & Bradstreet	24.3	4	28.6	0.0	28.4	3	24.5	9.4	11.3	14	11.0	15
Interpublic Group	23.3	5	26.8	0.1	25.9	4	22.7	6.1	14.2	11	21.7	5

Media

Yardsticks of Management Performance

	Profitability								Growth			
	Return on Equity				Return on Total Capital				Sales		Earnings Per Share	
Company	5-year average	5-year rank	latest 12 months	debt/ equity ratio	latest 12 months	5-year rank	5-year average	net profit margin	5-year average	5-year rank	5-year average	5-year rank
Capital Cities Communications	20.0	6	22.6	0.4	17.2	11	15.0	14.9	20.9	1	22.4	4
Gannett	19.9	7	22.5	0.2	22.3	6	19.1	12.2	18.0	2	17.5	9
Times Mirror	19.9	8	25.0	0.1	22.4	8	17.6	10.1	14.0	12	17.9	7
Equifax	19.6	9	18.8	0.1	16.1	9	16.8	3.3	7.2	18	2.4	19
A C Nielsen	19.5	10	19.7	0.0	19.8	5	19.6	6.6	16.5	5	15.1	12
McGraw-Hill	18.5	11	21.6	0.1	19.2	10	15.8	8.9	8.9	16	17.4	10
Time Inc	17.1	12	15.7	0.3	11.1	13	13.0	5.9	16.9	4	17.5	8
Meredith	15.8	13	16.3	0.4	11.2	17	10.9	5.3	10.4	15	35.1	2
Knight-Ridder News	15.6	14	17.8	0.1	16.2	12	14.1	9.1	17.3	3	15.7	11
RR Donnelley & Sons	14.3	15	15.1	0.0	13.5	14	12.9	6.7	13.0	13	13.2	14
Arcata	13.6	16	14.5	0.3	10.0	18	9.6	5.1	14.3	10	52.9	1
Harcourt Brace Jovanovich	13.4	17	12.0	0.6	8.6	16	11.3	3.4	16.2	6	6.6	18
New York Times	12.8	18	14.4	0.1	12.9	15	11.4	4.7	8.8	17	7.3	17
Macmillan	7.3	19	8.4	0.4	6.9	19	6.1	4.0	5.0	19	9.7	16
Medians	**19.5**		**19.7**	**0.1**	**17.2**		**15.8**	**6.7**	**14.3**		**17.4**	
Industry Medians	**19.6**		**20.2**	**0.1**	**16.7**		**15.4**	**6.7**	**14.1**		**17.5**	
All-Industry Medians	**15.1**		**16.7**	**0.4**	**11.8**		**11.0**	**5.3**	**13.1**		**13.1**	

Note: Explanation of Yardstick calculations on page 51.

just now. "I still think that advertising will be up 11% or 12% in 1980," says Drexel Burnham's John Reidy. "I look for a minimum gain of 9% and a maximum of 12%," adds J. Kendrick Noble of Paine, Webber, Mitchell Hutchins. "The pressures to hold market share go up exponentially," adds Robert Howitt of First Manhattan Co.

Ford, bracing for another round of heavy losses in its domestic business, noted recently that advertising again may have to be slashed. And other major durables producers may be following suit. Yet overall it could be, as Bob Coen suggests, that a "mild slowdown in the case of soup, cigarettes, shampoos, soft drinks and beer will have practically no effect on advertising." Take the broadcasting networks. They hope that 1980—with heavy demand for political and Olympic Games advertising—will help keep the top of the rate card solid in spite of possible cutbacks by auto manufacturers and others.

In a recession, it's the marginal media that get hit first. Meaning that while TV network and national spot revenues should do reasonably well, local billings are likely to suffer. With newspapers, classified advertising is especially sensitive to downturns. But, says Merrill Lynch's Edward Dunleavy, who follows publishing stocks, "It's not the media, it's the market. If you're in strong markets, like Houston or Phoenix, you're in the catbird seat." Two Knight-Ridder properties—the Miami *Herald* and the San Jose *Mercury* and *News*—demonstrate exactly that. The papers are in essentially noncompetitive situations. Together they generate only about 28% of the chain's revenues, but carry such high margins that they account for about 40% of operating profits. These numbers underscore the barely hyperbolic reflection of A.J. Liebling, the renowned press critic, written almost three decades ago: All a monopoly newspaper owner needs "by way of a staff is a cash register."

Ownership of several such cash registers, plus a generally high plowback of profits, has been key to media growth. The strategy can be seen in its most crystalline form at Capital Cities. The company's dividend payout is hovering around a microscopic 4% of earnings—earnings that have been compounding at an average 22%. Between 1975 and 1978, according to John Reidy, the company generated about $200 million worth of cash. More than half of that went into a series of acquisitions, including the Kansas City *Star* for $125 million.

The pattern is typical. Acquisitions have helped many of the media companies upgrade return on investment, but not invariably. Time Inc. seems to have reached for trouble when it bought the Washington *Star*, a slow second to the fast-moving Washington *Post*. Bob Howitt of First Manhattan Co. says flatly, "I can't justify it." Howitt also thinks CBS' abortive "preliminary talks" with Crum & Forster, the big insurance holding company, was a "negative departure. Nobody on The Street likes the idea of CBS plunking down maybe a billion dollars to get into a business it doesn't know anything about."

The next big area of expansion for the media conglomerates is cable television *(see* Forbes, *Dec. 10, 1979)*. Storer Broadcasting, for example, is selling off five radio stations and will plow the estimated $42 million proceeds into expanding its already sizable cable network. The company has also said it may pump as much as $250 million into cable over the next several years. Gannett, Capital Cities, Knight-Ridder Newspapers and Harte-Hanks, among others, are also looking closely at the field. But cable is going at such high prices and consumes so much capital that these prospects scare some Wall Streeters.

"Cable multiples are so high with everyone getting into it," says Merrill Lynch's Dunleavy, "I just don't see the return on investment. I'm uncomfortable." Dunleavy has a lot of company on The Street. That uneasiness, plus the prospect of tighter ad budgets and flatter earnings, goes a long way toward explaining why so many media companies are selling at modest multiples. It's that kind of market—accentuating the negatives, downplaying the positives. But in this industry, the positives most definitely outweigh the negatives. ■

How do the middle-ranking companies in each of the 31 main industry groups compare in terms of growth and profitability?

Who's Where in the Industry Groups

WHICH U.S. INDUSTRY has shown the highest return on equity over the last 12 months? Which has had the greatest five-year growth in earnings per share?

If you guessed broadcasting on the first question, you were way off. True, the media group, a separate industry grouping this year, is number one in ROE over the last five years because it is made up of two profitable industries, broadcasting and publishing. But over the last 12 months, ten industry subgroups did better than both of them: domestic oil and gas (23.2%), the fire and casualty insurance business (23.0%), ethical drugs (23.0%), aluminum (21.4%), tobacco (21.3%), home building (21.0%), electrical equipment (22.0%), entertainment (22.0%), specialty chemicals (20.9%) and truckers (20.8%).

If you guessed aerospace and defense or computers on the second question, you were close but not close enough. Both the mining- and drilling-equipment industry and heavy construction have had greater five-year growth in per-share earnings than aerospace and computers.

The following tables go through the same exercise that many investors go through to pick the industries their portfolios should include. Once the right industries have been chosen, the next step is to decide which *companies* in those industries are the best investments.

These Yardsticks are designed to give exactly that kind of overview. They rank the median or middle-ranking companies in all of FORBES' 31 major industry groupings in the same manner as the 1,035 separate companies are ranked elsewhere in this issue. The 31 groups are broken down even further into 83 separate industries—showing, for example, separate numbers for five distinct segments of the food and drink industries. The results indicate which industries are the most profitable, which have the fastest earnings growth and which have shown the most promising trends in the latest 12 months. We use medians rather than averages to avoid distorting the results through abnormal windfall earnings at the top or staggering losses at the bottom. These medians, in short, are the track record of companies in the middle of a group.

Comparing these track records can turn up surprising insights. The apparel group, for example, ranks next to last among the 31 groups for ROE—only air transportation is lower—but within it, the shoe industry has had a higher return on total capital over the last 12 months (14.7%) than such businesses as health care products and services (13.4%), heavy construction (12.2%) or any energy industry but international oils. For the same 12 months, electrical equipment's 19.3% return was not only substantially higher than that of its more glamorous cousin, electronic equipment (16.4%), but even higher than ethical drugs (19.1%). And copiers and office equipment (16.0%) were a more profitable business than computers (15.4%).

A closer look turns up cyclical industries just starting to turn down, or trouble spots in others just beginning to show up. Return on total capital in the computer industry, for example, was 15.6% over the last five years; but for the last 12 months it slipped a bit to 15.4%. The entertainment industry's return on equity for five years was 24.5%, but last year it was 22.0%. The troubled coal industry had a respectable return on total capital over five years of 14.2%, but in the latest 12 months it fell drastically, to 8.0%. The food service industry's five-year return of 12.8% shrank to a 12-month return of 9.8%. National supermarket chains, which ran behind regional chains for the five-year return on equity, pulled strongly ahead in the past year.

On a brighter note, look at steel. Last year, thanks to some government trade-barrier help, its profitability rose substantially. The group's overall return on equity for the last 12 months jumped nearly 78% above the previous 12-month period and is nearly 50% above its five-year average; and the more profitable specialty steel segment, with a 16.9% 12-month ROE, did better last year than half the industries on the list, including diversified chemicals, life insurance and the overall construction group. ■

Industry Medians

Yardsticks of Management Performance

	Profitability								Growth			
	Return on Equity				Return on Total Capital				Sales		Earnings Per Share	
Industry	5-year average	5-year rank	latest 12 months	debt/equity ratio	latest 12 months	5-year rank	5-year average	net profit margin	5-year average	5-year rank	5-year average	5-year rank
Media	19.6%	1	20.2%	0.1	16.7%	1	15.4%	6.7%	14.1%	12	17.5%	5
Broadcasting	20.6	–	20.7	0.7	15.0	–	14.9	5.4	12.8	–	22.1	–
Publishing	19.5	–	19.7	0.1	17.2	–	15.8	6.7	14.3	–	17.4	–
Personal Products	19.3	2	20.5	0.3	15.1	5	14.2	6.1	15.0	7	10.8	25
Tobacco	18.2	–	21.3	0.6	12.2	–	10.5	5.5	12.2	–	8.9	–
Toiletries & Cosmetics	19.3	–	20.5	0.3	15.8	–	14.9	7.0	15.3	–	11.2	–
Aerospace & Defense	18.6	3	20.3	0.2	15.7	6	13.7	4.2	13.1	16	26.4	1
Health Care	18.1	4	19.3	0.3	14.4	7	13.4	8.1	14.4	10	12.9	12
Ethical Drugs	20.7	–	23.0	0.2	19.1	–	18.0	12.5	13.4	–	12.6	–
Proprietary Drugs	16.0	–	16.7	0.2	15.0	–	14.2	7.4	11.8	–	8.3	–
Health Care Prods & Services	17.7	–	19.3	0.3	13.4	–	12.2	7.7	17.5	–	19.0	–
Information Processing	17.9	5	19.6	0.3	15.8	3	14.4	7.9	16.8	6	19.5	3
Computers	18.0	–	18.5	0.3	15.4	–	15.6	8.7	21.7	–	22.7	–
Copiers & Office Equipment	17.8	–	20.0	0.3	16.0	–	13.0	6.1	15.4	–	9.0	–
Construction–Contractors	17.6	6	15.2	0.3	11.6	17	10.9	2.6	18.6	2	22.6	2
Heavy Construction	18.5	–	13.5	0.3	12.2	–	12.5	2.4	20.6	–	29.8	–
Home Building	16.6	–	21.0	0.8	10.3	–	9.1	3.5	16.5	–	13.7	–
Electronics & Electrical Equip	17.2	7	20.8	0.2	17.8	2	14.7	6.5	12.7	19	17.5	5
Electronic Equipment	15.7	–	19.6	0.2	16.4	–	12.6	5.9	11.6	–	22.7	–
Electrical Equipment	19.8	–	22.0	0.2	19.3	–	17.2	6.8	13.8	–	14.0	–
Energy	17.0	8	22.5	0.5	14.1	11	11.9	5.9	20.8	1	16.3	8
International Oils	15.3	–	20.2	0.3	15.0	–	11.7	5.1	17.0	–	9.9	–
Other Oil & Gas	17.0	–	23.2	0.6	14.1	–	11.7	6.5	21.6	–	17.4	–
Coal	17.7	–	14.1	0.3	8.0	–	14.2	4.5	15.6	–	17.8	–
Finance–Insurance	16.8	9	19.9	0.1	17.3	3	14.4	8.9	12.9	17	15.9	9
Life	13.3	–	15.0	0.1	14.0	–	12.8	11.2	10.2	–	12.1	–
Fire & Casualty	19.2	–	23.0	0.1	22.3	–	17.6	6.9	14.9	–	16.9	–
Multiple Line	18.2	–	20.0	0.1	17.4	–	15.1	8.2	13.1	–	18.5	–
Leisure	16.3	10	16.0	0.5	11.9	8	12.7	4.4	14.6	9	11.3	22
Travel	12.7	–	16.0	0.7	9.7	–	7.4	4.5	14.6	–	15.6	–
Entertainment	24.5	–	22.0	0.5	16.9	–	16.2	8.5	17.1	–	19.3	–
Recreation	13.7	–	13.4	0.3	10.8	–	10.8	3.7	11.3	–	8.5	–
Food Service	15.1	–	15.5	0.9	9.8	–	12.8	4.0	20.7	–	10.1	–
Industrial Equipment	16.2	11	17.6	0.3	14.2	8	12.7	6.1	14.8	13	17.6	4
Production Equipment	17.0	–	18.4	0.3	14.6	–	12.0	6.0	12.4	–	17.6	–
Specialty Equip & Materials	15.7	–	17.2	0.3	14.1	–	12.7	5.7	13.7	–	16.5	–
Construction & Materials Handling	15.4	–	17.0	0.5	12.4	–	10.7	5.2	13.0	–	16.8	–
Mining & Drilling Equipment	21.2	–	19.1	0.3	14.9	–	15.4	9.5	21.9	–	30.4	–
Rail Equipment	13.7	–	15.7	0.7	7.6	–	7.5	5.9	13.2	–	11.3	–
Wholesalers	15.6	12	16.1	0.6	12.3	10	12.3	1.1	16.5	4	15.0	11
Food Distributors	15.6	–	15.9	0.7	10.8	–	12.6	1.0	16.8	–	14.4	–
Other Wholesalers	15.6	–	16.8	0.5	12.7	–	10.8	2.3	13.1	–	15.4	–
Utilities–Natural Gas	15.5	13	16.3	0.8	8.3	28	8.0	5.2	18.0	3	9.2	28
Producers & Pipeliners	15.9	–	17.1	0.8	8.5	–	8.1	5.2	17.5	–	9.8	–
Pipeliners & Distributors	18.2	–	18.8	0.7	10.0	–	9.3	6.7	23.7	–	13.6	–
Distributors	12.4	–	14.3	0.8	8.0	–	7.2	4.8	16.7	–	6.0	–
Finance—Consumer Finance	15.4	14	16.9	0.6	11.8	12	11.8	6.4	14.7	8	16.8	7
Finance Companies	13.0	–	15.6	2.1	7.4	–	6.3	4.5	9.7	–	6.7	–
Financial Services	16.1	–	17.0	0.5	13.8	–	13.3	6.7	15.5	–	17.2	–
Automotive	15.1	15	17.0	0.4	13.8	14	11.4	4.8	12.1	23	13.4	15
Vehicles	15.4	–	18.9	0.4	13.7	–	11.6	3.7	13.8	–	13.8	–
Tire & Rubber	7.4	–	7.1	0.6	5.9	–	5.9	2.1	9.6	–	3.9	–
Auto Supplies	16.2	–	17.3	0.8	13.6	–	11.8	4.5	13.2	–	15.3	–
Chemicals	15.1	15	17.4	0.4	12.1	15	11.2	6.1	14.4	10	11.8	17
Diversified Chemicals	13.5	–	15.9	0.4	10.7	–	10.2	6.1	13.6	–	9.1	–
Specialists	17.4	–	20.9	0.4	13.9	–	11.5	6.1	16.0	–	16.8	–

Note: Explanation of Yardstick calculations on page 51.

Industry Medians

Yardsticks of Management Performance

	Profitability								Growth			
	Return on Equity				Return on Total Capital				Sales		Earnings Per Share	
Industry	5-year average	5-year rank	latest 12 months	debt/equity ratio	latest 12 months	5-year rank	5-year average	net profit margin	5-year average	5-year rank	5-year average	5-year rank
Household Products	**14.9%**	**17**	**16.7%**	**0.4**	**11.8%**	**18**	**10.6%**	**4.4%**	**9.0%**	**30**	**10.7%**	**24**
Appliances	10.1	–	15.2	0.5	11.0	–	9.0	3.7	6.8	–	3.2	–
Housewares & Furnishings	14.9	–	17.6	0.6	12.3	–	10.6	5.0	9.9	–	12.7	–
Housekeeping Products	17.3	–	17.1	0.3	13.6	–	14.1	6.3	15.7	–	11.0	–
Supermarkets	**14.9**	**17**	**14.4**	**1.0**	**9.9**	**22**	**9.8**	**1.2**	**12.9**	**17**	**15.1**	**10**
Major Chains	14.0	–	16.5	1.0	9.4	–	8.7	1.2	10.0	–	12.2	–
Regional Chains	15.0	–	14.3	1.1	10.1	–	10.4	1.2	14.1	–	16.2	–
Food & Drink	**14.7**	**19**	**15.6**	**0.4**	**11.2**	**13**	**11.6**	**2.9**	**12.0**	**24**	**11.9**	**20**
Diversified Foods	15.7	–	15.7	0.4	10.7	–	11.5	3.1	12.2	–	12.3	–
Meatpackers	13.9	–	16.6	0.6	11.0	–	10.1	1.2	9.8	–	9.0	–
Agricultural Commodities	17.6	–	13.6	0.4	10.9	–	12.0	2.2	13.2	–	24.0	–
Other Food Specialists	15.9	–	17.4	0.4	12.1	–	12.2	3.7	12.9	–	11.9	–
Drinks	14.1	–	14.9	0.4	11.3	–	10.2	5.1	12.4	–	6.2	–
Forest Products & Packaging	**14.2**	**20**	**16.3**	**0.4**	**11.3**	**23**	**9.6**	**5.5**	**12.4**	**21**	**12.9**	**18**
Forest Products	16.3	–	18.9	0.4	12.1	–	10.7	7.4	12.4	–	15.1	–
Packaging	13.1	–	14.3	0.4	9.4	–	9.2	4.0	11.9	–	12.0	–
Multicompanies–Conglomerates	**14.0**	**21**	**19.1**	**0.7**	**9.9**	**24**	**9.2**	**3.9**	**10.8**	**27**	**11.6**	**21**
Construction–Building Materials	**13.9**	**22**	**17.3**	**0.4**	**12.4**	**19**	**10.3**	**5.7**	**11.5**	**26**	**12.0**	**19**
Lumber	15.7	–	19.0	0.4	12.0	–	10.0	6.7	12.9	–	11.2	–
Cement & Gypsum	12.7	–	18.7	0.4	13.1	–	9.6	8.1	11.1	–	10.9	–
Other Building Materials	12.9	–	14.1	0.4	10.3	–	10.3	5.2	10.0	–	12.2	–
Building Equipment	20.5	–	18.2	0.2	15.0	–	14.4	5.7	12.2	–	15.8	–
Finance–Banks	**13.6**	**23**	**14.8**	**0.4**	**12.0**	**16**	**11.0**	**7.8**	**13.4**	**15**	**9.2**	**28**
New York Banks	12.6	–	14.3	0.5	10.7	–	9.7	5.1	14.4	–	6.2	–
Regional Banks	13.8	–	15.3	0.1	12.3	–	11.4	8.1	13.2	–	9.3	–
Retail Distribution	**13.2**	**24**	**15.1**	**0.7**	**10.1**	**21**	**9.9**	**2.8**	**12.2**	**22**	**10.4**	**25**
Department Stores	12.8	–	12.3	0.7	8.2	–	8.5	2.9	9.3	–	8.2	–
Discount & Variety Stores	11.0	–	12.6	1.1	7.0	–	7.6	1.5	11.8	–	9.0	–
Drug Chains	18.8	–	18.1	0.5	13.8	–	15.4	2.3	16.8	–	17.4	–
Specialty Retailers	17.2	–	19.1	0.7	13.8	–	14.1	3.8	13.3	–	13.8	–
Multicompanies–Multi-Industry	**12.6**	**25**	**15.0**	**0.4**	**10.8**	**20**	**10.1**	**5.3**	**9.9**	**29**	**13.1**	**16**
Utilities–Electric & Telephone	**11.8**	**26**	**12.0**	**0.9**	**6.4**	**30**	**6.3**	**10.9**	**16.1**	**5**	**2.9**	**31**
Northeast	11.2	–	11.7	1.0	6.4	–	6.3	10.5	13.9	–	3.5	–
Midwest	12.0	–	12.1	0.9	6.3	–	6.4	11.9	16.3	–	1.9	–
Southeast	11.8	–	11.5	0.9	6.2	–	6.2	10.7	18.5	–	2.0	–
Southwest	13.4	–	12.4	0.9	6.8	–	7.1	10.8	19.7	–	4.5	–
West	11.0	–	10.9	0.9	6.4	–	6.6	13.8	18.0	–	1.3	–
Telecommunications	13.1	–	14.9	0.9	7.2	–	6.9	10.3	11.5	–	8.4	–
Transportation–Surface	**11.7**	**27**	**12.8**	**0.5**	**7.5**	**29**	**6.9**	**4.8**	**11.8**	**25**	**13.9**	**12**
Railroads	8.8	–	10.0	0.8	6.2	–	5.3	6.8	9.2	–	12.7	–
Truckers	22.5	–	20.8	0.9	9.9	–	10.8	4.2	15.0	–	17.6	–
Other Surface Transportation	15.7	–	16.3	0.7	8.7	–	8.3	4.5	13.1	–	8.5	–
Metals	**11.3**	**28**	**19.3**	**0.5**	**11.8**	**26**	**8.3**	**6.0**	**12.5**	**20**	**6.5**	**30**
Aluminum	13.0	–	21.4	0.6	13.1	–	8.5	7.9	12.9	–	18.0	–
Copper	4.5	–	13.8	0.7	7.5	–	3.8	4.4	7.8	–	–5.6	–
Diversified Metals	11.3	–	18.6	0.4	12.8	–	8.8	5.9	13.2	–	2.9	–
Steel	**10.9**	**29**	**15.8**	**0.4**	**10.5**	**27**	**8.1**	**4.3**	**10.7**	**28**	**10.2**	**26**
Basic Producers	7.1	–	12.1	0.4	7.8	–	5.7	4.1	10.4	–	5.5	–
Specialty & Other Steels	14.1	–	16.9	0.4	11.6	–	11.4	4.5	10.8	–	11.5	–
Apparel	**10.2**	**30**	**12.4**	**0.3**	**8.9**	**25**	**8.7**	**3.1**	**8.4**	**31**	**9.3**	**27**
Apparel	10.0	–	12.1	0.3	8.2	–	8.0	2.7	7.5	–	7.0	–
Textiles	8.0	–	11.1	0.4	8.9	–	7.4	3.7	8.2	–	9.0	–
Shoes	17.7	–	16.6	0.3	14.7	–	14.7	3.5	11.6	–	16.3	–
Transportation—Air	**10.0**	**31**	**10.0**	**1.0**	**6.4**	**31**	**5.7**	**3.3**	**13.6**	**14**	**13.7**	**14**
All-Industry Medians	**15.1**		**16.7**	**0.4**	**11.0**		**11.0**	**5.2**	**13.1**		**13.1**	

Note: Explanation of Yardstick calculations on page 51.

How do companies rank by the measure that counts most—the amount of return in net profits for every dollar of capital that goes in?

Who's Where in Profitability

THE MOST COMMONLY USED measure of profitability for a company is return on equity. The *ultimate* measure is return on total capital—equity plus debt. Each company in the FORBES Annual Report on American Industry is ranked both ways in the following tables.

Both measures are needed because return on equity alone can sometimes be misleading. If a company has had significant losses in the recent past, for example, stockholders' equity will be much smaller—so its earnings, as a percentage of that smaller base, will appear unusually high as they start to recover. You can tell which companies these are by looking at return on total capital.

For example, Columbia Pictures is ranked second in return on equity but 106th in return on total capital because, while it has had three good years, it still has inflated five-year ROE figures from prior losses. The same thing shows up with Lockheed—third-ranked in return on equity, but 674th in return on total capital.

Subaru of America, first-ranked in both columns, is clearly the most profitable of the 1,030 ranked companies. Both Savin and Emery Air Freight also show good correlations between return on equity and return on total capital. But beyond that balance, look at Savin's 12-month performance: In both return on equity and return on capital, it exceeds its five-year average—clearly a highly profitable company still on the upswing. The same can be said of Marsh & McLennan, 14th in five-year ROE but fifth in return on total capital, and running ahead of the averages in both. ■

Who's Where In Profitability

	Return On Equity			Return On Capital		
Company	5-year* average	rank	latest 12 months	5-year* average	rank	latest 12 months
Subaru of America	72.1%	1	54.6%	67.2%	1	55.0%
Columbia Pictures	64.3	2	22.0	17.9	106	17.9
Lockheed	57.6	3	11.0	8.8	674	7.9
Houston Oil & Minerals	55.7	4	22.9	20.0	71	11.0
Tosco	44.8	5	112.5	11.0	486	23.5
Savin	44.7	6	52.3	32.5	4	34.3
Tandy	42.0	7	45.7	27.2	15	23.6
Computer Sciences	41.0	8	31.5	15.6	188	16.1
Service Merchandise	39.3	9	26.5	25.1	20	13.8
Mattel	38.4	10	15.7	17.4	120	15.4
Emery Air Freight	36.8	11	39.4	35.9	3	34.9
Teledyne	36.4	12	43.2	22.5	39	31.7
Levi Strauss	33.7	13	32.0	28.1	11	27.2
Marsh & McLennan Cos	32.6	14	35.3	32.2	5	35.2
Parsons	32.4	15	26.5	23.2	29	22.2
Avon Products	32.4	16	32.9	31.4	6	32.7
Amdahl	32.3	17	17.4	36.7	2	15.8
Charter Company	31.9	18	111.8	16.1	158	52.4
American Home Products	31.9	19	32.7	31.1	7	32.1
Ashland Oil	31.4	20	67.0	15.7	179	27.9
Farm House Foods	31.3	21	28.9	14.3	247	9.0
UV Industries	31.0	22	73.0	18.6	94	50.2
Schlumberger	30.9	23	31.6	28.6	10	30.0
Petrie Stores	30.5	24	26.8	30.5	8	26.7
Wal-Mart Stores	30.4	25	27.7	22.1	40	17.7
Dow Jones	30.2	26	32.1	27.7	12	29.7
Earth Resources	30.2	27	24.1	20.4	64	15.2
Pioneer Corp	30.2	27	30.8	14.2	252	14.9
SmithKline Corp	29.8	29	40.0	24.5	23	34.0
MAPCO	29.7	30	24.6	14.9	221	12.7
Intel	29.6	31	31.1	28.9	9	30.1
Dorchester Gas	29.3	32	36.9	19.4	79	20.0
United Energy Resources	29.2	33	26.5	15.8	170	18.0
American Family	29.0	34	24.7	27.6	13	22.6
Melville	28.6	35	26.3	26.4	17	24.5
Kellogg	28.5	36	26.6	24.1	25	22.1
Texas Oil & Gas	28.5	36	27.0	15.5	194	13.9
Entex	28.4	38	26.5	13.5	310	13.6
Nucor	28.3	39	40.5	19.9	75	28.0
Fort Howard Paper	28.2	40	24.4	25.5	19	19.3
Intl Minerals & Chem	28.1	41	17.4	17.1	128	12.1
Colonial Penn Group	27.8	42	23.7	27.3	14	23.7
MGM	27.8	42	31.9	16.2	152	18.6
Missouri Pacific Corp	27.8	44	25.9	10.4	538	12.1
Houston Natural Gas	27.7	45	22.0	14.9	218	13.2
Maytag	27.2	46	28.8	26.5	16	27.5
Deluxe Check Printers	27.2	47	26.9	25.5	18	25.1
Storage Technology	27.2	48	32.6	16.0	163	21.9
American Intl Group	27.0	49	23.4	24.6	21	21.7
Super Valu Stores	26.6	50	27.4	17.6	118	17.9
Shearson Hayden Stone	26.5	51	29.3	15.7	174	20.0
Kaneb Services	26.5	52	22.4	14.2	257	13.3
Best Products	26.5	53	28.4	21.4	45	15.2
Niagara Frontier Services	26.4	54	21.7	21.0	51	11.8
Merck	26.2	55	25.7	22.8	36	21.7
American Financial	26.1	56	64.2	8.2	715	14.8
Parker Drilling	26.1	57	24.2	14.5	233	14.8
RLC Corp	26.1	58	36.5	9.6	593	13.2
Beech Aircraft	25.9	59	25.4	20.7	59	22.6
Edison Bros Stores	25.8	60	25.5	21.3	46	20.9
G Heileman Brewing	25.8	61	32.2	18.9	87	25.1
ConAgra	25.7	62	23.9	14.1	264	16.1
Engelhard Minerals	25.7	63	33.1	20.7	56	25.1
SCOA Industries	25.7%	64	28.3%	15.3%	201	17.0%
Louisiana Land & Exp	25.5	65	27.3	20.3	65	21.1
Washington Post	25.4	66	27.0	18.7	93	21.7
McDonald's	25.3	67	23.1	13.9	280	12.6
Baker International	25.2	68	24.0	17.6	114	16.2
Coachmen Industries	25.3	69	def	23.1	32	def
Blue Bell	25.3	70	21.8	21.0	53	18.6
Dillon Companies	25.1	71	22.1	20.2	67	14.8
Lucky Stores	25.1	72	29.9	16.0	163	17.0
Cooper Industries	25.0	73	25.9	19.2	81	26.4
Schering-Plough	25.0	74	23.3	24.5	23	23.0
Pioneer Hi-Bred Intl	24.9	75	23.7	23.2	30	19.6
Reliance Electric	24.9	76	24.7	17.4	123	19.1
Lubrizol	24.9	77	27.1	23.4	28	25.3
Nalco Chemical	24.9	78	27.7	23.9	26	26.8
Gates Learjet	24.9	79	19.2	20.6	60	16.4
Twentieth Century-Fox	24.8	80	22.6	18.2	100	16.9
Snap-On Tools	24.8	81	30.6	20.7	56	26.0
Pennzoil	24.8	82	33.6	10.7	519	14.1
Albertson's	24.8	83	26.3	15.0	214	13.3
Metromedia	24.7	84	35.9	14.9	228	15.0
Petrolane	24.7	85	24.6	16.7	138	17.1
Savannah Foods	24.6	86	9.6	15.7	175	7.4
Leaseway Transportation	24.5	87	23.6	10.2	548	10.1
Modern Merchandising	24.5	88	17.8	17.6	115	10.1
MCA	24.5	89	19.8	23.0	34	17.6
Halliburton	24.4	90	19.3	19.4	77	15.9
Sigmor	24.4	91	29.7	18.6	95	20.1
Dun & Bradstreet	24.3	92	28.6	24.5	22	28.4
Masco	24.3	93	25.8	16.2	151	13.1
Dover Corp	24.3	94	25.6	20.2	68	22.1
Bruno's	24.1	95	28.1	15.6	188	17.1
Data General	24.0	96	24.5	23.1	31	20.7
Northrop	24.0	97	26.7	19.9	74	23.5
Coca-Cola	24.0	98	23.7	22.7	37	22.5
Calder	23.9	99	26.2	16.9	132	13.5
Smith International	23.8	100	18.5	18.9	88	16.4
Parker Pen	23.8	101	29.1	21.9	42	27.3
Cameron Iron Works	23.7	102	20.5	14.7	229	14.5
Ohio Casualty	23.7	102	29.4	23.0	33	28.8
CBS	23.7	104	20.7	20.1	78	18.0
Fluor	23.7	105	23.2	22.0	41	20.5
AMP	23.7	106	29.6	20.1	69	25.4
Pittston	23.6	107	11.8	18.8	91	9.9
Caterpillar Tractor	23.5	108	22.6	17.3	126	17.3
Crown Central Petroleum	23.5	108	57.7	14.2	261	29.2
Square D	23.5	110	25.7	19.2	82	20.0
U S Fidelity & Gty	23.5	110	27.9	23.6	27	27.9
Diamond Shamrock	23.5	112	15.9	13.5	314	10.6
Interpublic Group	23.3	113	26.8	22.7	37	25.9
Tyler	23.3	114	21.7	15.6	191	15.0
Denny's	23.3	115	18.1	14.0	278	10.0
Dayton-Hudson	23.1	116	20.6	16.1	158	17.0
Natl Semiconductor	23.1	116	25.1	17.7	110	18.9
Dow Chemical	23.1	118	21.4	14.2	255	12.4
Arco	23.0	119	21.5	7.8	747	6.9
E F Hutton Group	22.9	120	20.5	18.3	99	16.1
Longs Drug Stores	22.9	121	21.3	22.9	35	21.3
Hoover Universal	22.8	122	20.7	17.4	122	14.5
PACCAR	22.8	123	28.8	20.9	55	26.8
Philip Morris	22.7	124	23.1	13.5	313	12.5
St Paul Companies	22.7	125	20.4	20.0	72	17.9
Roadway Express	22.7	126	18.5	21.5	44	17.2

*The average return may be for less than a 5-year period as footnoted in individual Yardsticks tables.

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Who's Where In Profitability

	Return On Equity			Return On Capital				Return On Equity			Return On Capital		
Company	5-year* average	rank	latest 12 months	5-year* average	rank	latest 12 months	Company	5-year* average	rank	latest 12 months	5-year* average	rank	latest 12 months
Yellow Freight System	22.6%	127	12.8%	15.9%	168	9.6%	Emerson Electric	20.2%	191	22.1%	18.8%	92	21.3%
Franklin Mint	22.6	128	16.0	18.6	96	13.6	Wyman-Gordon	20.2	193	14.[illegible]	16.0	163	11.4
Athlone Industries	22.5	129	21.3	10.8	502	11.6	Ryan Homes	20.2	194	21.0	17.9	107	17.8
Intl Flavors & Frag	22.5	130	24.2	21.0	52	22.9	Dana	20.2	195	22.0	15.5	193	17.5
Loews	22.4	131	22.3	9.6	599	11.8	W W Grainger	20.2	195	21.9	191	84	21.5
Consol Freightways	22.3	132	23.0	17.4	125	19.1	Rite Aid	20.1	197	21.6	17.2	127	18.7
Bristol-Myers	22.3	133	21.7	20.2	66	20.0	Avnet	20.1	198	20.8	15.8	170	19.1
Rollins Inc	22.3	134	19.2	17.5	119	16.1	Flowers Industries	20.1	199	17.9	12.1	406	11.9
E-Systems	22.2	135	16.1	19.3	80	14.1	K mart	20.1	199	18.9	15.8	172	12.5
Iowa Beef Processors	22.2	136	18.0	15.7	178	14.3	Echlin Manufacturing	20.1	201	21.3	14.6	230	16.2
Briggs & Stratton	22.0	137	25.1	21.7	43	24.5	Crane	20.1	202	15.8	11.6	433	9.1
Combined Insurance	21.9	138	22.2	21.3	47	21.8	Hyster	20.1	202	27.9	15.9	167	23.1
Hilton Hotels	21.9	139	30.0	14.3	245	20.7	Capital Cities Commun	20.0	204	22.6	15.0	215	17.2
IBM	21.9	140	22.3	21.2	49	21.8	Malone & Hyde	20.0	205	18.2	17.6	117	14.2
Bally Manufacturing	21.9	141	26.3	16.4	147	19.1	Pay'n Save	20.0	206	17.0	16.4	146	11.9
Lear Siegler	21.9	142	28.0	12.8	354	16.4	Gannett	19.9	207	22.5	19.1	84	22.3
Revlon	21.8	143	22.0	16.7	140	17.6	Times Mirror	19.9	208	25.0	17.6	116	22.4
Warner Communications	21.7	144	25.5	12.7	356	16.7	Revco D S	19.9	209	20.5	16.1	154	17.3
Ametek	21.6	145	21.9	17.0	130	16.4	Air Prods & Chems	19.9	210	20.0	11.7	423	12.4
J Ray McDermott	21.6	146	0.5	16.6	141	2.8	General Motors	19.8	211	19.7	18.0	105	18.1
Raymond Intl	21.6	147	16.8	15.6	184	12.2	Belco Petroleum	19.8	212	23.2	14.9	217	18.2
Eli Lilly	21.6	148	23.4	20.9	54	22.2	Upjohn	19.8	213	22.6	15.1	211	16.5
General Reinsurance	21.5	149	23.0	20.6	61	22.3	Natl Convenience Strs	19.8	214	27.7	12.7	364	12.7
Farmers Group	21.5	150	19.8	20.4	63	19.4	Mallinckrodt	19.7	215	22.3	14.4	238	16.5
Baldwin-United	21.4	151	26.7	14.7	224	16.5	Kings Dept Stores	19.7	216	18.0	15.5	194	10.5
Golden State Foods	21.4	152	20.4	14.7	227	15.4	Johnson Controls	19.7	217	17.0	16.3	148	12.3
Westmoreland Coal	21.4	153	4.3	19.1	85	2.5	Equifax	19.6	218	18.8	16.8	136	16.1
Kemper Corp	21.4	154	24.2	21.2	50	24.4	Bird & Son	19.6	219	13.4	18.0	104	12.6
Blount	21.4	155	22.8	12.5	376	14.6	Chesebrough-Pond's	19.6	220	20.5	15.9	166	15.8
Dresser Industries	21.4	156	18.3	16.0	160	14.2	Alco Standard	19.6	221	20.5	14.6	231	14.6
Crouse-Hinds	21.3	157	23.3	19.0	86	19.4	American Express	19.6	221	21.9	16.3	148	17.5
Foster Wheeler	21.3	157	25.5	17.4	120	20.6	Standard Oil Ohio	19.5	223	44.4	8.7	683	16.4
Gelco	21.3	159	23.9	6.4	849	7.0	TRW	19.5	223	21.3	12.8	355	13.6
Wang Laboratories	21.3	160	31.1	14.5	234	19.1	Union Camp	19.5	223	18.4	13.6	305	13.4
Auto Data Processing	21.3	161	21.3	19.9	73	17.9	Phillips Petroleum	19.5	226	24.3	14.7	226	18.6
Key	21.3	161	26.8	12.0	412	11.3	Clorox	19.5	227	19.0	15.1	207	15.9
Oklahoma Natural Gas	21.2	163	16.1	11.4	442	9.9	Mead	19.5	228	21.4	11.4	441	13.3
Genuine Parts	21.2	164	22.1	21.3	47	21.5	Humana	19.5	229	34.5	8.1	722	9.1
Abbott Laboratories	21.2	165	22.0	15.9	168	17.5	A C Nielsen	19.5	229	19.7	19.6	76	19.8
Winn-Dixie Stores	21.2	165	20.5	19.4	78	17.5	General Electric	19.4	231	21.2	16.9	132	18.5
Raytheon	21.2	167	25.2	18.9	89	23.3	Kimberly-Clark	19.3	232	32.0	14.2	257	22.9
PepsiCo	21.1	168	22.0	15.1	207	16.0	Republic Finl Svcs	19.3	233	22.3	15.1	209	17.1
EG&G	21.1	169	31.1	18.1	103	26.0	Circle K	19.3	234	29.5	13.2	330	15.9
Amsted Industries	21.0	170	24.1	20.5	62	23.5	Willamette Inds	19.3	235	19.7	13.3	322	13.7
Marathon Mfg	20.9	171	25.4	13.9	279	20.1	Centex	19.3	236	21.4	9.1	649	8.5
Norris Industries	20.9	172	16.1	18.3	98	15.0	Pay Less Drug NW	19.3	237	18.3	15.4	197	11.3
Scott & Fetzer	20.8	173	21.7	16.6	143	17.2	Bucyrus-Erie	19.3	238	18.6	15.1	209	14.8
Dean Foods	20.8	174	20.6	15.2	206	14.0	Crum & Forster	19.2	239	25.7	18.1	102	24.6
Vulcan Materials	20.8	174	21.5	14.4	242	14.9	Southwestern Pub Svc	19.2	240	15.7	8.2	717	7.3
Lowe's Companies	20.7	176	17.2	15.7	179	12.8	Idle Wild Foods	19.1	241	19.5	15.6	186	14.5
Minn Mining & Mfg	20.7	177	24.5	17.7	113	20.9	Transway Intl	19.1	242	20.4	15.4	199	16.2
Northwest Industries	20.7	178	21.1	12.9	332	12.3	Moore McCormack Res	19.1	243	16.8	10.8	506	9.3
Weis Markets	20.7	178	20.7	20.7	58	20.7	CNA Financial	19.1	244	31.4	10.5	530	15.1
Amer Broadcasting	20.6	180	26.0	16.1	155	20.3	[illegible] Shoe	19.1	244	19.0	17.1	129	16.2
Ryder System	20.6	181	23.0	8.7	681	9.2	Sundstrand	19.1	244	22.8	11.4	446	14.6
General Cinema	20.6	182	21.2	12.7	363	12.5	White Consolidated	19.0	247	17.4	10.6	522	10.2
Natomas	20.6	183	22.6	14.0	275	15.5	Northern Natural Gas	19.0	248	18.2	10.0	561	10.3
American Standard	20.5	184	26.5	14.1	271	18.4	Pitney-Bowes	19.0	249	21.6	13.0	344	15.0
R J Reynolds Inds	20.5	184	20.2	14.8	223	15.1	Johnson & Johnson	19.0	250	19.9	18.4	97	19.4
Handy & Harman	20.5	186	17.7	13.7	299	11.1	Owens-Corning Fbrgls	19.0	250	17.2	14.3	247	13.7
American Stores	20.4	187	22.7	16.9	134	17.7	Arvin Industries	18.9	252	13.4	12.2	399	9.2
Stauffer Chemical	20.3	188	17.0	14.3	249	11.9	Procter & Gamble	18.9	253	19.4	14.9	222	15.3
CBI Industries	20.3	189	17.6	16.6	144	14.8	Big Three Industries	18.9	254	17.1	14.9	218	13.1
Gulf & Western Inds	20.3	189	19.2	9.3	629	9.3	CPC International	18.9	255	20.2	15.2	203	16.5
Curtice-Burns	20.2	191	19.3	13.1	335	7.7	Central Louisiana Engy	18.8	256	24.3	8.9	665	11.6

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Who's Where In Profitability

	Return On Equity			Return On Capital				Return On Equity			Return On Capital		
Company	5-year* average	rank	latest 12 months	5-year* average	rank	latest 12 months	Company	5-year* average	rank	latest 12 months	5-year* average	rank	latest 12 months
Provident Life & Acc	18.8%	256	18.5%	18.8%	90	18.5%	Pacific Resources	17.5%	322	19.6%	9.5%	610	10.5%
Jack Eckerd	18.8	258	18.1	18.2	101	17.4	Carnation	17.5	323	17.1	14.0	277	13.9
Fairchild Industries	18.8	258	35.7	13.9	283	25.0	Cessna Aircraft	17.5	323	19.2	13.7	294	16.0
Eastman Kodak	18.8	260	21.4	17.7	110	20.2	Fleming Companies	17.5	323	16.2	13.1	336	10.8
Hanover Insurance	18.8	261	20.3	17.8	108	20.2	Texas Commerce Bshs	17.5	326	18.1	16.4	145	16.6
Georgia-Pacific	18.7	262	18.9	11.1	473	11.8	Dayco	17.5	327	19.7	8.1	720	9.7
Aetna Life & Casualty	18.7	263	23.0	16.9	134	20.5	Chromalloy American	17.4	328	21.1	9.3	623	10.4
Bausch & Lomb	18.7	264	22.1	14.2	253	17.6	St Joe Minerals	17.4	328	17.6	14.2	261	12.1
Copeland	18.7	265	10.0	16.7	139	7.7	Thiokol	17.4	330	21.6	13.5	314	15.2
Ogden	18.6	266	17.8	9.0	657	8.9	Ark Louisiana Gas	17.4	331	18.2	9.6	603	9.6
Hershey Foods	18.6	267	18.4	15.6	186	15.8	Barnes Group	17.4	331	24.4	13.9	280	18.2
Boeing	18.6	268	31.8	16.1	154	27.3	Stanadyne	17.4	333	20.3	15.7	175	16.6
Santa Fe Intl	18.5	269	3.3	10.8	507	2.7	Gillette	17.4	334	18.8	12.8	353	13.8
C F Braun	18.5	270	12.0	13.7	295	8.7	Cone Mills	17.4	335	16.3	15.0	213	14.8
Archer Daniels Midland	18.5	2/1	14.7	14.1	264	10.4	Eagle-Picher Inds	17.4	336	16.9	13.3	326	13.6
Conoco	18.5	271	24.9	13.2	331	16.2	Michigan National	17.4	336	16.9	13.7	296	13.0
Harsco	18.5	271	17.6	15.2	205	14.8	U S Bancorp	17.4	336	18.0	13.9	285	12.9
Dexter	18.5	274	20.1	14.1	269	14.6	Sun Chemical	17.3	339	25.6	11.1	474	14.1
McGraw-Hill	18.5	274	21.6	15.8	172	19.2	Fred Meyer	17.3	340	16.4	11.5	437	10.3
Wm Wrigley Jr	18.5	274	18.6	17.8	109	17.9	Texas Instruments	17.2	341	20.2	16.3	148	19.6
A E Staley Mfg	18.5	277	9.6	13.6	304	7.1	Butler Manufacturing	17.2	342	18.2	14.4	239	15.1
So Natural Resources	18.5	278	17.1	9.6	593	10.2	First Intl Bshs	17.2	343	17.9	13.8	287	14.3
VSI	18.5	278	26.9	15.4	196	22.4	Foremost-McKesson	17.2	343	21.0	9.3	625	11.8
Consolidated Papers	18.4	280	25.2	16.1	156	20.8	Toro	17.2	343	29.2	12.9	345	21.0
Ethyl	18.4	281	17.9	11.0	479	11.8	Illinois Tool Works	17.1	346	21.2	16.7	137	20.6
Earle M Jorgensen	18.4	282	17.8	15.4	197	15.4	Heublein	17.1	347	16.4	12.0	412	12.0
Rexnord	18.4	282	17.1	14.2	257	13.5	Longview Fibre	17.1	347	20.2	15.7	181	18.5
Hospital Corp of Am	18.4	284	19.3	8.6	689	9.0	Time Inc	17.1	347	15.7	13.0	343	11.1
Universal Foods	18.3	285	14.1	14.2	261	12.0	Beatrice Foods	17.1	350	15.5	14.2	260	11.6
Tektronix	18.3	286	22.3	16.6	141	19.4	Amer Genl Insurance	17.1	351	20.0	13.1	338	14.9
United Technologies	18.3	287	17.9	12.6	369	12.4	Potlatch	17.0	352	19.2	12.3	394	13.2
Moore Corp	18.3	288	20.0	13.9	283	16.0	Sysco	17.0	353	17.8	13.2	333	14.0
Safeco	18.2	289	21.0	14.3	250	17.0	Wetterau	17.0	353	15.9	13.0	340	12.5
Occidental Petroleum'	18.2	290	40.5	9.4	619	15.9	Marathon Oil	17.0	355	20.5	12.1	411	12.5
Panhandle Eastern	18.2	290	21.1	8.9	665	10.7	Central Tel & Utils	17.0	356	17.8	7.4	779	7.3
Easco	18.2	292	14.5	11.4	443	9.7	Digital Equipment	17.0	357	17.4	15.5	192	14.7
Nabisco	18.1	293	18.2	12.2	399	12.2	Baxter Travenol Labs	17.0	358	18.3	12.5	379	13.8
Supermarkets General	18.1	293	23.6	9.3	627	11.0	Jim Walter	17.0	359	16.6	11.0	484	10.0
Emhart	18.1	295	17.3	17.0	131	15.6	Ralston Purina	17.0	360	13.2	11.9	418	9.8
General Foods	18.1	296	20.4	14.2	253	16.5	Tenneco	17.0	361	16.5	9.2	637	8.8
Deere	18.1	297	18.0	14.3	246	13.6	Evans Products	16.9	362	23.1	10.3	542	13.9
Nash Finch	18.0	298	18.7	15.2	202	14.4	Witco Chemical	16.8	363	21.7	11.2	468	14.9
Waste Management	18.0	299	20.9	10.9	490	14.1	Universal Leaf	16.8	364	17.9	15.6	184	16.7
Whirlpool	18.0	300	16.7	15.2	204	14.9	USLIFE	16.8	365	17.5	13.5	300	13.5
Paine Webber	18.0	301	16.9	13.2	328	12.6	Crown Cork & Seal	16.7	366	16.6	14.0	272	14.6
Hewlett-Packard	18.0	302	19.6	17.4	124	18.9	International Paper	16.7	367	26.6	11.2	470	17.5
Campbell Taggart	17.9	303	17.7	13.3	321	12.9	NCR	16.7	368	17.2	12.5	383	14.9
Economics Laboratory	17.9	304	18.3	13.7	296	14.5	Chubb	16.7	369	20.0	15.1	211	18.7
Colt Industries	17.8	305	20.0	11.4	449	13.4	Colgate-Palmolive	16.7	369	15.9	14.4	241	12.6
Xerox	17.8	306	19.1	14.4	244	16.3	Standard Oil Indiana	16.7	369	19.6	12.7	361	13.8
ERC	17.8	307	22.8	16.0	160	21.3	Republic of Texas	16.7	372	15.2	13.9	286	12.5
General Mills	17.8	308	17.0	12.9	345	13.1	Wallace-Murray	16.6	373	21.5	12.1	406	15.0
Carpenter Technology	17.8	309	20.0	16.0	162	18.6	Combustion Engineering	16.6	374	18.6	11.7	421	11.2
Parker-Hannifin	17.7	310	19.0	13.0	339	14.6	RCA	16.6	375	18.5	10.7	515	12.2
North American Coal	17.7	311	20.7	7.0	807	6.6	Sonoco Products	16.6	376	17.1	14.1	270	14.1
BankAmerica Corp	17.7	312	18.8	13.8	292	14.4	U S Home	16.6	377	28.2	8.8	675	15.8
Tecumseh Products	17.7	312	21.5	17.7	112	21.5	National Svc Inds	16.6	378	21.2	14.1	264	18.3
McDonough	17.7	314	16.6	14.7	224	14.7	Bluebird	16.5	379	24.0	12.4	384	17.3
Pfizer	17.7	315	18.3	13.4	319	13.9	Federal-Mogul	16.5	380	22.2	12.6	366	17.5
United Telecom	17.7	315	18.8	7.5	768	8.1	Bangor Punta	16.5	381	21.5	9.6	603	11.9
DEKALB AgResearch	17.6	317	15.4	13.8	287	11.2	Penn Traffic	16.4	382	16.5	13.7	298	12.0
Northwest Energy	17.6	318	19.3	8.1	723	8.7	Wheelabrator-Frye	16.4	383	17.5	12.7	361	11.9
Weyerhaeuser	17.6	318	23.6	12.2	402	15.6	Louisiana-Pacific	16.3	384	19.1	10.7	516	13.2
Koppers	17.6	320	17.5	12.7	357	12.2	Sheller-Globe	16.3	384	10.6	9.7	588	7.0
Hughes Tool	17.6	321	19.5	15.7	177	15.0	Hannaford Bros	16.3	386	14.1	11.3	462	8.2

*The average return may be for less than a 5-year period as footnoted in individual Yardsticks tables.

Who's Where In Profitability

Company	Return On Equity			Return On Capital		
	5-year* average	rank	latest 12 months	5-year* average	rank	latest 12 months
Host International	16.3%	386	21.6%	10.7%	520	14.3%
United Refining	16.3	386	28.6	11.3	457	18.7
Giant Food	16.3	389	18.7	10.8	500	11.3
VF Corp	16.3	389	17.5	14.0	275	14.9
Transco Companies	16.3	391	14.0	6.6	840	6.4
Federal Co	16.3	392	18.4	14.4	242	16.1
Transamerica	16.3	393	19.7	10.2	552	12.1
Connecticut General	16.3	394	15.3	15.7	182	15.0
Ideal Basic Inds	16.3	394	18.4	12.2	398	13.0
Amerada Hess	16.2	396	27.7	11.7	421	19.4
Gould	16.2	396	14.8	12.5	381	10.9
Imperial Corp of Am	16.2	398	17.1	14.0	274	14.1
Sterling Drug	16.2	398	16.7	15.0	216	14.9
Textron	16.2	398	16.8	12.9	345	13.8
Central Steel & Wire	16.2	401	16.8	15.7	182	16.9
Joy Manufacturing	16.2	402	13.6	13.9	280	11.8
Pillsbury	16.2	403	17.1	11.1	475	10.5
Sun Company	16.1	404	19.7	10.6	521	14.1
Turner Construction	16.1	405	18.7	16.1	153	18.8
Safeway Stores	16.1	406	16.5	11.5	438	10.1
SEDCO	16.0	407	2.4	9.8	581	3.3
United States Shoe	16.0	407	16.0	12.3	389	12.5
Champion Spark Plug	16.0	409	15.3	14.6	232	13.6
Standard Brands	16.0	410	15.7	10.9	495	10.8
McLean Trucking	15.9	411	5.0	11.4	444	4.4
Southland Corp	15.9	411	18.0	10.3	542	9.4
Citicorp	15.9	413	15.5	11.0	489	9.7
Dart Industries	15.9	413	18.9	11.3	453	13.2
Gerber Products	15.9	415	15.0	14.2	256	13.4
Insilco	15.9	415	16.7	9.6	593	9.8
Quaker State Oil	15.9	415	17.7	11.0	486	11.4
Fedl Natl Mortgage	15.9	418	13.2	4.2	971	4.3
Texas Eastern	15.9	418	19.1	8.0	728	10.0
Kraft	15.8	420	16.8	13.0	341	13.6
Squibb	15.8	421	14.0	12.0	412	10.8
Meredith	15.8	422	16.3	10.9	491	11.2
Shell Oil	15.8	422	16.0	12.3	391	12.1
Congoleum	15.8	424	26.7	13.8	289	23.9
American Brands	15.8	425	22.7	11.3	459	16.7
Liquid Air of No Amer	15.8	426	12.0	11.6	425	9.9
Southern Union	15.8	426	19.6	8.9	663	10.1
Union Oil California	15.8	428	17.9	10.9	491	11.9
Seafirst	15.7	429	16.5	15.4	200	15.8
Warner-Lambert	15.7	429	13.3	12.5	380	9.2
Continental Illinois	15.7	431	15.7	13.3	327	12.5
Delta Air Lines	15.7	432	14.7	8.4	707	9.1
Zurn Industries	15.7	433	17.8	10.8	502	12.8
Clark Equipment	15.7	434	19.7	11.6	432	15.1
Household Finance	15.7	434	17.4	7.3	787	7.2
McCormick & Co	15.7	436	14.7	12.2	399	11.5
Foxboro	15.7	437	15.4	14.3	250	14.0
Harris Corp	15.7	438	20.8	12.6	371	16.9
Hartfield-Zodys	15.6	439	16.7	14.5	236	8.5
Marsh Supermarkets	15.6	439	12.4	10.4	531	7.4
H J Heinz	15.6	441	18.5	12.1	410	14.1
Kerr Glass Mfg	15.6	442	9.1	9.7	587	7.3
Knight-Ridder News	15.6	442	17.8	14.1	267	16.2
Fieldcrest Mills	15.6	444	18.1	10.9	497	12.9
Minnesota Gas	15.6	444	19.0	9.4	621	10.9
Super Food Services	15.6	446	13.1	10.8	[illegible]	13.3
Peoples Gas	15.5	447	15.2	7.9	741	7.7
Outlet	15.5	448	11.8	10.7	514	8.2
Exxon	15.5	449	18.7	12.2	396	14.1
First City Bancorp	15.5	450	16.5	13.4	318	14.6
Atlantic Richfield	15.5	451	19.0	10.8	510	12.3
Mercantile Stores	15.5%	451	14.7%	12.6%	369	10.8%
Oscar Mayer	15.4	453	17.0	12.7	357	14.2
Copperweld	15.4	454	17.3	12.3	389	12.7
Ferro	15.4	455	17.3	13.7	300	15.2
J P Morgan & Co	15.4	455	15.7	12.9	350	13.4
Gordon Jewelry	15.4	457	20.9	12.9	350	18.0
Texas Gas Transmsn	15.4	458	15.8	8.3	711	8.5
Ford Motor	15.4	459	15.4	12.7	360	13.0
Martin Marietta	15.4	459	20.8	11.2	468	16.1
Dennison Mfg	15.3	461	17.6	12.7	365	14.3
Itel	15.3	461	def	7.8	750	def
Valley Natl Bk Ariz	15.3	461	19.4	13.1	334	17.2
NICOR	15.3	464	16.4	8.0	735	8.3
Perkin-Elmer	15.3	464	21.0	14.7	227	17.8
General Signal	15.2	466	16.1	13.4	319	14.1
Raychem	15.2	467	22.9	13.6	306	20.8
Eaton	15.2	468	19.1	9.9	568	10.1
Kerr-McGee	15.2	469	14.7	12.0	416	11.1
Midland-Ross	15.1	470	18.4	11.3	460	13.9
Monsanto	15.1	471	14.1	11.2	471	9.9
Cummins Engine	15.1	472	13.4	10.5	525	10.1
H F Ahmanson	15.1	473	15.8	13.3	325	11.5
Braniff Intl	15.1	474	6.9	8.0	733	4.4
Campbell Soup	15.1	474	15.6	14.0	273	13.9
Fruehauf	15.1	476	18.8	9.5	608	10.9
Pneumo Corp	15.1	476	11.7	11.3	460	7.3
Eastern Gas & Fuel	15.1	478	14.1	8.6	690	8.0
Rainier Bancorp	15.1	478	15.3	13.2	328	13.2
Amer Hoist & Derrick	15.0	480	14.3	9.8	578	9.6
Black & Decker	15.0	481	21.2	12.4	387	17.3
General Tel & Elec	15.0	481	15.0	7.1	802	7.2
Standard Oil Calif	15.0	483	20.6	12.4	387	15.8
NVF	15.0	484	25.9	12.5	381	20.4
Godfrey	15.0	485	17.3	9.8	572	10.4
Purex Industries	15.0	486	15.1	11.1	476	11.3
Champion Intl	15.0	487	20.0	8.6	687	11.4
Ingersoll-Rand	14.9	488	14.9	11.6	426	11.0
Northwest Bancorp	14.9	488	15.7	12.0	415	12.1
Todd Shipyards	14.9	488	40.3	7.8	749	15.7
Trans Union	14.9	488	15.9	6.2	887	6.7
Waldbaum	14.9	492	14.4	11.3	455	9.5
Ball Corp	14.9	493	16.9	11.2	465	11.2
Western Air Lines	14.9	493	16.9	6.6	837	7.4
Public Service Indiana	14.9	495	16.2	7.3	787	7.4
Quaker Oats	14.9	495	17.8	10.6	524	12.6
A H Robins	14.9	497	11.7	12.6	368	7.6
Signode	14.9	497	17.2	12.4	385	14.1
Cal-Maine Foods	14.9	499	15.9	7.9	740	7.8
First Charter Finl	14.8	500	13.3	13.8	290	9.8
Clark Oil & Refining	14.8	501	31.5	9.8	574	20.1
Richardson-Merrell	14.8	501	16.6	13.4	316	15.1
Bendix	14.8	503	17.5	11.9	419	13.9
Crocker Natl Corp	14.8	503	22.2	10.3	540	14.6
First Bank System	14.8	505	16.2	12.1	404	13.2
Suburban Propane Gas	14.8	505	18.8	9.2	630	10.8
E I du Pont	14.8	507	20.8	11.3	455	16.0
Reserve Oil & Gas	14.8	508	17.3	11.2	467	11.4
Manufacturers Hanover	14.7	509	14.6	11.6	429	11.5
Flickinger	14.7	510	14.4	12.6	375	12.3
Wells Fargo	14.7	510	16.5	11.0	486	12.0
Becton, Dickinson	14.7	512	14.6	12.1	406	13.2
Federated Dept Stores	14.7	513	13.1	13.2	331	10.9
Grumman	14.7	514	7.4	9.2	637	6.2
R H Macy	14.7	514	18.4	9.7	585	12.7
Certain-teed	14.7	516	6.4	10.7	511	5.8

*The average return may be for less than a 5-year period as footnoted in individual Yardsticks tables.

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Who's Where In Profitability

Company	Return On Equity			Return On Capital		
	5-year* average	rank	latest 12 months	5-year* average	rank	latest 12 months
Stanley Works	14.7%	517	18.4%	11.6%	430	14.7%
Purolator	14.7	518	17.6	11.4	439	13.6
Interco	14.6	519	14.4	13.7	300	12.8
Travelers	14.6	520	18.4	13.8	292	17.4
Gulf Resources & Chem	14.6	521	10.4	9.8	582	7.1
Nashua	14.6	521	21.7	10.9	491	16.9
Burroughs	14.5	523	15.0	12.5	378	13.5
Mobil	14.5	524	19.8	11.1	476	14.0
Norton Simon	14.5	524	14.4	9.8	575	9.3
Republic Natl Life	14.5	526	17.2	14.5	235	17.2
Brown-Forman Dist	14.5	527	19.1	11.3	454	14.4
Stone Container	14.5	527	16.2	9.4	620	9.8
Intl Multifoods	14.5	529	13.8	10.8	509	10.3
Continental Corp	14.5	530	17.8	13.3	322	16.2
Southwestern Life	14.5	530	14.5	14.5	237	14.5
Anheuser-Busch Cos	14.4	532	15.9	9.6	593	9.6
Gt Northern Nekoosa	14.4	533	16.2	10.1	554	11.2
Amer Hospital Supply	14.4	534	15.5	12.3	393	12.5
United States Gypsum	14.4	534	23.8	10.7	516	16.3
Hobart	14.4	536	14.7	11.2	465	12.0
Stewart-Warner	14.3	537	15.3	14.1	267	15.1
Cullum Companies	14.3	538	22.2	8.5	697	12.1
Morrison-Knudsen	14.3	539	16.9	10.7	511	14.2
ENSERCH	14.3	540	14.3	8.1	721	8.3
Sav-On-Drugs	14.3	540	16.0	13.3	322	13.9
R R Donnelley & Sons	14.3	542	15.1	12.9	349	13.5
Gt Western Financial	14.3	543	16.5	13.1	336	14.4
Beckman Instruments	14.2	544	17.6	11.4	448	13.4
Getty Oil	14.2	544	17.8	12.1	405	14.3
Stop & Shop	14.2	544	13.7	8.1	726	7.5
Sperry	14.2	547	15.1	10.3	539	10.9
Royal Crown Cos	14.2	548	6.8	13.6	307	5.9
Timken	14.2	548	16.1	13.5	308	15.1
General Dynamics	14.1	550	25.5	11.6	430	19.5
G D Searle	14.1	550	19.3	10.8	501	13.6
Hanna Mining	14.1	552	15.0	12.6	374	13.1
Security Pacific	14.1	552	17.2	12.0	416	12.6
DETROITBANK Corp	14.1	554	15.5	13.6	303	14.3
Adolph Coors	14.1	555	12.4	13.5	311	11.6
Fischbach & Moore	14.1	555	13.5	10.6	523	10.9
George A Hormel	14.1	557	18.3	12.7	357	16.1
Pennwalt	14.1	557	14.5	10.1	560	10.4
Central & South West	14.1	559	14.4	7.1	801	6.8
Collins & Aikman	14.0	560	12.0	11.5	436	10.1
Norton	14.0	561	20.4	11.8	420	16.6
Amstar	14.0	562	8.7	9.5	611	6.8
Peabody Intl	14.0	562	15.8	11.4	439	13.9
Union Carbide	14.0	562	15.2	10.2	548	10.7
Allied Stores	14.0	565	13.7	9.4	613	9.6
Merrill Lynch & Co	14.0	565	14.0	13.7	302	13.9
Westvaco	14.0	565	15.2	9.5	606	10.3
Cincinnati Milacron	14.0	568	24.9	9.7	584	16.5
Houston Industries	14.0	568	14.7	7.4	770	7.1
Riegel Textile	14.0	568	12.3	10.1	555	8.9
Tampa Electric	14.0	568	12.8	6.3	865	6.2
Rockwell Intl	14.0	572	20.3	10.0	562	14.8
North Amer Philips	14.0	573	15.6	9.3	626	10.7
Gino's	13.9	574	12.9	9.1	646	9.5
FMC	13.9	575	14.8	9.9	565	10.7
Kaiser Alum & Chem	13.9	576	20.5	8.4	725	11.4
McGraw-Edison	13.9	576	14.2	12.5	376	13.1
Walter E Heller Intl	13.9	578	13.9	7.3	782	6.7
Walter Kidde	13.9	579	16.4	9.1	650	9.6
Murphy Oil	13.9	579	18.3	8.5	696	9.6
Western Bancorp	13.9	579	18.0	11.3	463	13.8

Company	Return On Equity			Return On Capital		
	5-year* average	rank	latest 12 months	5-year* average	rank	latest 12 months
Frederick & Herrud	13.9%	582	16.6%	10.1%	558	11.0%
GK Technologies	13.9	582	28.0	8.9	667	13.9
Walgreen	13.9	582	19.7	9.8	575	13.8
Corning Glass Works	13.9	585	17.1	11.5	434	14.3
Amer Nat Resources	13.8	586	10.3	7.3	787	6.0
Wachovia Corp	13.8	587	14.6	12.6	366	14.2
Indianapolis Pwr & Lt	13.8	588	16.4	6.6	834	7.5
Libbey-Owens-Ford	13.8	589	14.3	11.7	423	12.0
Manufacturers National	13.8	590	11.8	11.5	434	12.7
Fleetwood Enterprises	13.8	591	13.4	13.8	291	13.3
May Dept Stores	13.7	592	13.8	9.0	658	9.1
American Greetings	13.7	593	14.2	10.8	502	10.8
Coastal States Gas	13.7	593	17.6	7.0	805	8.1
Dravo	13.7	595	13.5	11.0	484	13.2
ACF Industries	13.7	596	15.2	7.5	763	7.6
Kroger	13.7	597	18.5	9.8	575	12.1
Motorola	13.7	598	17.2	12.2	396	14.6
Dean Witter Reynolds	13.7	599	7.1	13.4	317	7.4
Manhattan Industries	13.7	599	11.6	9.1	650	6.8
Freeport Minerals	13.6	601	28.0	11.4	446	22.2
Ampex	13.6	602	17.8	7.8	750	11.8
Jefferson-Pilot	13.6	602	14.4	13.5	312	14.3
Anchor Hocking	13.6	604	12.0	10.9	497	9.4
Arcata	13.6	604	14.5	9.6	599	10.0
Beneficial Corp	13.6	604	14.2	6.3	876	6.1
Pittsburgh National	13.6	607	15.0	12.9	348	14.3
W R Grace	13.5	608	13.3	9.5	607	9.7
Castle & Cooke	13.5	609	11.1	9.2	637	7.3
American Cyanamid	13.5	610	13.3	10.5	525	9.8
Pac Gamble Robinson	13.4	611	13.3	11.4	449	9.5
Harcourt Brace Jovan	13.4	612	12.0	11.3	451	8.6
Amer Medical Intl	13.4	613	18.8	7.6	758	11.0
Arizona Public Serv	13.4	613	12.2	7.5	763	7.2
Long Island Lighting	13.4	615	12.8	7.2	792	7.4
Seaboard Allied Milling	13.4	615	17.6	9.6	603	12.8
Wisconsin Public Svc	13.4	615	14.3	7.2	795	7.5
Howard Johnson	13.4	618	12.8	11.6	427	9.6
Interpace	13.4	619	16.4	8.9	667	10.0
Garfinckel Brooks Bros	13.4	620	14.6	9.6	599	9.6
Gulf United	13.3	621	16.5	11.3	451	13.7
Diamond Intl	13.3	622	14.3	11.3	463	11.3
City Investing	13.3	623	21.7	7.4	778	9.2
American Petrofina	13.3	624	23.2	10.2	546	14.5
Ex-Cell-O	13.3	624	16.6	12.2	402	14.2
Capital Holding Corp	13.2	626	13.5	13.0	341	13.2
Sunbeam	13.2	627	13.7	10.5	525	11.1
Laclede Gas	13.2	628	15.0	7.1	797	8.1
Cleveland Elec Illum	13.2	629	12.0	7.1	800	6.7
New England G & E	13.2	629	14.6	6.6	834	7.2
No States Power	13.2	631	13.7	6.3	865	6.7
Florida Power	13.1	632	10.8	6.0	901	5.7
Maryland Cup	13.1	632	12.4	9.2	636	8.8
National Distillers	13.1	634	14.0	10.2	545	10.8
H K Porter	13.1	634	16.8	10.2	550	11.8
INA	13.1	636	17.8	12.1	406	14.4
Alcoa	13.1	637	22.9	8.8	676	14.8
Signal Companies	13.1	638	20.2	9.4	614	13.7
Fisher Scientific	13.1	639	14.3	10.1	559	9.9
Continental Tel	13.1	640	14.9	6.2	884	6.9
Carson Pirie Scott	13.0	641	12.7	8.4	703	8.2
Univar	13.0	641	16.1	8.9	670	10.1
McDonnell Douglas	13.0	643	15.1	12.4	385	15.1
Saga Corp	13.0	644	2.7	11.0	482	3.9
J C Penney	12.9	645	10.5	10.9	491	8.3
Allen Group	12.9	646	17.0	8.7	680	10.0

*The average return may be for less than a 5-year period as footnoted in individual Yardsticks tables.

Who's Where In Profitability

	Return On Equity			Return On Capital				Return On Equity			Return On Capital		
Company	5-year* average	rank	latest 12 months	5-year* average	rank	latest 12 months	Company	5-year* average	rank	latest 12 months	5-year* average	rank	latest 12 months
Texas Utilities	12.9%	647	12.4%	7.1%	802	6.7%	National-Standard	12.2 %	711	12.5%	9.3%	623	9.7%
Pullman	12.9	648	14.3	10.9	499	11.9	Pacific Pwr & Lt	12.2	711	11.6	6.5	843	6.4
H H Robertson	12.9	648	13.9	10.3	540	10.3	So Carolina E & G	12.2	711	10.1	6.2	888	5.6
Dibrell Brothers	12.8	650	12.8	10.9	496	11.3	American Tel & Tel	12.2	715	13.2	6.9	809	7.3
New York Times	12.8	650	14.4	11.4	444	12.9	Allis-Chalmers	12.2	716	13.0	9.2	632	9.3
Alcan Aluminium	12.8	652	22.2	9.1	647	14.7	Whittaker	12.2	717	22.4	8.4	702	14.3
Gifford-Hill	12.8	653	18.2	9.6	591	13.1	Columbia Gas System	12.1	718	13.1	6.5	841	7.3
Amer Maize-Products	12.8	654	8.9	9.9	571	7.1	Walt Disney	12.1	719	13.1	10.7	511	11.9
Tiger International	12.8	655	14.3	5.7	920	6.3	Esmark	12.1	720	12.2	8.8	676	7.5
Bank of New York	12.8	656	13.8	11.0	479	12.2	Atlanta Gas Light	12.1	721	10.4	6.4	852	5.9
Carter Hawley Hale	12.8	656	13.2	8.4	705	7.7	Middle South Utils	12.1	721	12.8	5.9	907	6.4
Natl Detroit Corp	12.8	656	13.1	11.1	472	12.0	Carolina Pwr & Lt	12.0	723	12.3	6.2	884	6.4
Northwestern Steel	12.8	656	16.8	12.6	371	16.6	Consumers Power	12.0	723	12.7	5.9	907	6.1
Toledo Edison	12.8	660	11.7	6.6	839	6.7	Southern Railway	12.0	725	14.9	6.9	810	8.2
AMF	12.8	661	13.4	8.9	663	9.5	Dorsey	12.0	726	14.9	8.4	707	8.9
American Bakeries	12.7	662	8.1	8.5	695	5.7	Philadelphia Natl	12.0	727	13.7	9.4	614	9.8
Illinois Power	12.7	662	12.1	6.4	855	6.1	U S Air	12.0	728	16.9	6.6	834	11.6
Kansas Power & Light	12.7	664	12.1	6.7	818	6.2	Gray Drug Stores	11.9	729	7.8	9.6	598	6.1
Crown Zellerbach	12.7	665	15.2	9.2	633	11.0	Westinghouse Electric	11.9	729	12.9	9.6	593	11.2
Masonite	12.7	665	20.5	11.0	481	17.0	Northern Trust	11.9	731	10.7	10.4	532	9.4
Marriott	12.7	667	16.0	7.3	783	9.7	Johns-Manville	11.9	732	12.5	8.6	686	7.2
Pa Power & Light	12.7	667	13.4	6.8	816	7.2	Union Electric	11.9	733	11.0	6.3	877	6.0
Borden	12.7	669	12.2	9.7	588	9.4	Levitz Furniture	11.8	734	19.1	8.0	736	10.6
Consol Natural Gas	12.7	669	12.4	7.6	760	7.5	Duke Power	11.8	735	13.4	6.3	872	7.0
Talley Industries	12.7	671	6.9	8.0	728	5.6	Wisconsin Elec Power	11.8	736	12.4	6.7	826	6.6
Peavey	12.7	672	12.6	10.1	555	9.0	Central Soya	11.8	737	13.4	9.1	642	9.9
ARA Services	12.6	673	13.7	9.8	572	10.7	Allegheny Power	11.7	738	11.2	6.2	886	5.7
Irving Bank Corp	12.6	673	14.3	9.7	590	10.7	Southern Calif Edison	11.7	739	14.0	6.7	826	7.6
Liberty Natl Life	12.6	673	12.7	12.6	371	12.7	Olin Corp	11.7	740	10.2	9.1	643	7.8
Cincinnati G & E	12.6	676	13.5	6.6	830	7.0	Chemical New York	11.7	741	12.1	9.1	643	8.9
Florida Power & Lt	12.6	676	12.5	6.4	857	6.3	N Y State Elec & Gas	11.7	742	12.8	6.6	838	7.1
Lone Star Industries	12.6	676	19.0	8.5	691	11.7	Columbus & So Ohio	11.7	743	10.1	6.7	822	6.3
Amerace	12.6	679	14.7	7.9	742	8.7	Union Pacific	11.7	744	15.8	8.0	730	10.4
Sears, Roebuck	12.6	679	12.3	10.5	529	10.1	AmeriTrust Corp	11.6	745	11.6	11.6	427	11.6
Genl Tire & Rubber	12.6	681	10.1	9.4	618	8.2	Consolidated Edison	11.6	745	10.5	6.3	880	6.1
Central Ill Pub Svc	12.5	682	14.1	6.3	868	7.2	Avery International	11.6	747	16.1	8.9	667	11.4
Consolidated Foods	12.5	682	15.9	10.2	546	12.3	Foodarama Supermkts	11.6	747	8.3	9.8	580	7.1
Borg-Warner	12.5	684	15.6	11.0	478	13.5	Trane	11.6	747	11.9	9.5	612	9.5
Harnischfeger	12.5	684	def	9.0	659	2.8	Lane Bryant	11.6	750	10.1	9.8	578	8.7
NCNB	12.5	684	17.0	8.7	683	11.2	Lincoln Natl Corp	11.6	751	13.6	10.9	499	12.4
PPG Industries	12.5	687	14.1	9.4	621	10.7	Superior Oil	11.6	752	22.5	10.4	536	14.7
Cabot	12.4	688	21.6	9.0	656	13.6	General Instrument	11.6	753	17.6	9.0	661	14.5
Roper Corp	12.4	689	9.8	9.0	654	7.4	F W Woolworth	11.6	753	14.2	7.9	744	8.8
American Can	12.4	690	13.2	8.8	678	3.8	NLT	11.5	755	11.6	11.3	457	11.2
Boise Cascade	12.4	690	16.4	9.2	630	12.1	American Elec Power	11.5	756	10.6	6.3	873	6.0
NN Corp	12.4	690	21.5	12.3	391	17.5	Oklahoma Gas & Elec	11.5	756	7.5	6.1	897	4.5
A-T-O	12.4	693	14.0	7.4	770	7.3	Hiram Walker	11.5	758	14.9	9.9	568	12.4
First Chicago Corp	12.4	693	11.3	10.2	553	9.5	Browning-Ferris Inds	11.5	759	15.8	7.4	772	10.1
National Gypsum	12.4	695	19.5	9.6	591	14.4	Armco	11.5	760	15.7	8.1	719	10.8
Wisconsin Gas	12.4	696	14.0	**		**	Ward Foods	11.4	761	20.6	3.7	981	10.6
Anderson, Clayton	12.3	697	11.6	11.0	482	10.9	AMAX	11.4	762	19.4	8.4	701	13.4
Honeywell	12.3	698	16.7	9.2	640	12.7	Ruddick	11.4	762	13.8	9.0	654	10.6
Greyhound	12.3	699	15.8	8.8	673	10.3	Celanese	11.4	764	16.9	7.5	765	11.0
Hercules	12.3	699	20.0	9.4	616	15.3	No Indiana Pub Svc	11.4	764	10.3	5.7	918	5.4
American Natl Ins	12.3	701	15.3	12.2	395	15.3	El Paso Company	11.4	766	20.8	5.4	934	7.8
CIT Financial	12.3	701	16.9	6.3	873	7.6	Utah Power & Light	11.4	767	10.9	6.8	812	6.6
St Regis Paper	12.3	701	13.8	8.9	670	9.7	Baltimore Gas & Elec	11.4	768	12.1	6.5	844	6.8
Brooklyn Union Gas	12.3	704	14.5	7.2	793	8.2	Gulf States Utils	11.3	769	10.6	5.6	928	5.5
Continental Group	12.2	705	11.0	9.1	650	8.2	Harris Bankcorp	11.3	769	9.2	9.7	586	8.4
New England Electric	12.2	705	14.3	6.2	882	6.7	Kuhn's-Big K Stores	11.3	771	3.9	10.5	525	5.1
Brown Group	12.2	707	15.6	9.9	565	12.8	Int'l Harvester	11.3	772	15.8	8.5	699	11.3
Wisconsin Pwr & Lt	12.2	707	13.2	6.6	829	6.6	SCM	11.3	772	12.8	8.2	713	9.4
Sybron	12.2	709	10.[illegible]	9.6	602	7.9	Jewel Companies	11.3	774	13.3	7.5	766	8.6
Reeves Brothers	12.2	710	18.0	10.4	533	14.6	Niagara Mohawk Power	11.2	775	12.0	6.3	873	6.6
Gulf Oil	12.2	711	15.6	10.4	537	12.7	Business Men's Assur	11.2	776	18.8	9.9	565	18.0

*The average return may be for less than a 5-year period as footnoted in individual Yardsticks tables.

**Not available; not ranked. def Deficit.

Who's Where In Profitability

	Return On Equity			Return On Capital		
Company	5-year* average	rank	latest 12 months	5-year average	rank	latest 12 months
Girard	11.2%	777	15.4%	8.4%	703	11.0%
NL Industries	11.2	778	14.1	8.6	687	9.2
Owens-Illinois	11.2	778	12.1	7.6	761	7.8
Public Svc Elec & Gas	11.2	778	11.7	6.1	897	6.2
Reynolds Metals	11.2	781	16.7	6.5	846	9.4
National Can	11.1	782	17.9	8.0	733	11.8
DeSoto	11.1	783	8.6	9.1	647	7.3
Pacific Lighting	11.1	784	14.3	6.4	848	7.9
Bemis	11.1	785	17.6	8.1	724	11.4
Ohio Edison	11.1	785	9.6	6.0	904	5.9
Commercial Metals	11.1	787	22.7	9.1	645	16.5
Norfolk & Western Ry	11.0	788	14.3	6.4	857	8.8
Pacific Gas & Elec	11.0	788	12.8	6.6	830	7.7
Louisville Gas & Elec	11.0	790	9.4	6.1	899	5.3
Thrifty Corp	11.0	790	15.1	8.8	672	12.8
Gas Service	11.0	792	14.1	6.4	850	7.1
Scott Paper	11.0	792	15.2	8.2	712	11.2
Mellon National Corp	11.0	794	12.2	9.5	689	11.0
Brockway Glass	10.9	795	4.2	9.0	659	4.0
So New England Tel	10.9	795	11.8	6.2	888	6.3
Flintkote	10.9	797	20.7	7.8	745	13.8
Delmarva Power & Lt	10.9	798	11.7	6.3	868	6.7
Pay Less Drug (Cal)	10.9	798	9.3	10.2	551	6.1
BancOhio Corp	10.9	800	10.9	10.1	557	10.0
Inland Steel	10.9	801	12.7	7.9	739	8.7
Rochester Gas & Elec	10.9	801	10.3	6.3	877	6.0
Texaco	10.9	803	15.6	8.4	706	11.1
Allegheny Corp	10.8	804	16.6	10.4	533	16.3
Del E Webb	10.8	805	9.2	9.9	570	10.3
San Diego Gas & Elec	10.8	806	9.4	6.7	819	6.3
Dayton Power & Light	10.8	807	10.8	6.4	857	6.5
Zale	10.8	807	12.5	10.0	562	11.2
Rose's Stores	10.7	809	11.0	9.7	583	9.5
Strawbridge & Clothier	10.7	810	10.4	8.5	698	7.3
Texasgulf	10.7	811	13.4	7.6	758	8.5
Polaroid	10.7	812	5.5	10.7	516	5.5
Brunswick	10.6	813	11.3	8.2	717	8.0
Commonwealth Edison	10.6	814	10.0	5.7	921	5.5
Northeast Utilities	10.5	815	10.3	5.8	914	5.6
Kansas City Pwr & Lt	10.5	816	10.2	5.5	933	5.2
Washington Natl Corp	10.5	816	13.2	9.2	633	11.9
West Point-Pepperell	10.5	818	9.5	8.9	662	7.6
Skyline	10.5	819	10.8	10.4	533	10.7
National Fuel Gas	10.4	820	11.7	6.9	811	7.5
Armstrong Cork	10.4	821	12.3	8.5	699	10.1
Knudsen	10.4	822	17.1	6.8	814	9.5
Amfac	10.4	823	16.5	7.0	806	10.0
Potomac Elec Power	10.4	823	10.4	6.3	868	6.2
Southern Company	10.4	823	8.0	5.1	945	4.7
American Airlines	10.3	826	12.3	5.6	926	6.5
First Natl Boston	10.3	826	13.6	7.5	762	8.9
PennCorp Financial	10.3	826	14.6	9.2	635	10.4
Fisher Foods	10.3	829	def	6.7	819	2.1
Kentucky Utilities	10.3	830	11.5	5.6	923	6.1
Holiday Inns	10.3	831	9.2	7.4	776	7.1
CPS Continental	10.3	832	11.4	7.7	755	8.2
Chase Manhattan Corp	10.3	832	14.6	3.2	713	11.1
Hoover Co	10.3	834	18.1	9.4	616	17.2
Liggett Group	10.3	835	15.3	8.3	710	11.3
Coca-Cola Bottling NY	10.2	836	10.0	9.1	726	6.4
Southwest Forest Inds	10.2	837	15.6	6.7	822	10.4
Oxford Industries	10.2	838	9.9	8.8	678	8.6
Peoples Drug Stores	10.2	839	15.1	8.4	707	11.0
Federal Paper Board	10.2	840	4.4	6.8	815	4.2
Public Service Colo	10.2	841	8.0	5.6	924	5.1

	Return On Equity			Return On Capital		
Company	5-year* average	rank	latest 12 months	5-year* average	rank	latest 12 months
Cluett, Peabody	10.1%	842	9.3%	8.5%	692	7.7%
Intl Tel & Tel	10.1	843	7.3	7.8	748	6.0
Va Electric & Power	10.1	843	9.0	5.9	910	5.6
General Public Utils	10.1	845	8.5	5.8	914	5.3
Sperry & Hutchinson	10.1	846	12.1	9.3	628	10.8
Allegheny Ludlum Inds	10.0	847	23.1	6.4	855	10.1
Duquesne Light	10.0	848	8.6	5.6	924	5.3
Envirotech	10.0	848	4.2	9.0	653	4.2
Morton-Norwich	10.0	848	16.3	8.0	736	12.1
Cities Service	10.0	851	10.7	7.7	754	7.7
Bankers Trust NY	9.9	852	13.0	8.2	716	10.0
Dillard Dept Stores	9.9	852	10.0	6.6	830	5.6
Central Illinois Lt	9.9	854	12.8	5.3	939	6.0
Fuqua Industries	9.9	855	25.7	7.2	795	14.3
Nationwide Corp	9.9	855	10.9	10.0	564	11.3
Magic Chef	9.8	857	12.8	8.5	694	9.2
Interlake	9.8	858	11.3	8.5	692	9.0
Williams Companies	9.8	859	6.3	6.6	830	4.8
Scovill	9.8	860	18.1	7.8	745	10.9
Rapid-American	9.8	861	17.1	5.8	916	6.8
Warner & Swasey	9.8	862	17.7	7.8	752	13.8
Phila Electric	9.7	863	10.0	5.6	928	5.6
Northwest Airlines	9.7	864	10.5	6.7	822	7.2
Sambo's Restaurants	9.7	864	def	14.4	240	def
Hammermill Paper	9.6	866	12.0	6.7	826	7.7
Noria	9.6	867	13.6	6.7	822	7.6
Southeast Banking	9.6	867	14.7	7.5	769	10.2
Portland Genl Elec	9.6	869	7.8	6.1	894	5.4
GATX	9.6	870	15.7	5.2	943	6.9
Outboard Marine	9.6	871	6.1	8.0	730	5.4
BanCal Tri-State	9.5	872	11.7	7.3	784	8.7
Wickes	9.5	873	16.2	6.4	864	9.3
United States Filter	9.5	874	9.0	8.7	681	6.9
Tesoro Petroleum	9.5	875	35.7	7.7	757	15.2
Kellwood	9.4	876	def	7.4	780	1.0
Lukens Steel	9.4	876	5.9	8.0	738	5.0
Detroit Edison	9.4	878	10.5	5.0	949	4.6
Gamble-Skogmo	9.3	879	10.4	6.9	808	7.0
Chic Pneumatic Tool	9.3	880	14.4	9.2	641	12.4
Chic & North Western	9.3	881	def	4.2	971	1.2
Alterman Foods	9.2	882	13.6	7.3	786	9.9
A O Smith	9.2	883	14.2	7.5	766	11.5
Goodyear	9.2	884	7.7	7.0	804	6.0
Alexander & Baldwin	9.2	885	10.1	7.8	753	7.5
Robertshaw Controls	9.1	886	10.3	7.4	772	8.0
First Wisconsin Corp	9.1	887	12.0	7.4	776	9.4
Seagram	9.0	888	9.9	7.3	787	7.7
Dillingham	9.0	889	16.7	5.9	909	10.0
Santa Fe Industries	9.0	890	10.8	6.4	857	7.4
Associated Dry Goods	8.9	891	8.7	7.4	774	7.1
UAL	8.9	892	def	4.5	959	0.1
Berman's	8.8	893	12.1	6.3	877	8.0
Allied Chemical	8.8	894	def	6.4	857	0.2
Reichhold Chemicals	8.8	895	4.4	7.4	780	4.6
IC Industries	8.8	896	10.2	5.7	917	5.5
Kaiser Steel	8.8	896	11.5	6.4	850	7.6
Newmont Mining	8.7	898	21.6	6.7	821	14.2
Curtiss-Wright	8.7	899	9.2	8.7	683	7.7
Zayre	8.7	899	9.5	5.8	912	6.3
Koehring	8.7	901	12.1	6.4	857	8.1
Olympia Brewing	8.7	902	9.7	7.7	756	8.1
Boston Edison	8.7	903	11.1	5.1	946	5.4
Edward Hines Lumber	8.6	904	7.0	8.0	730	6.3
Stokely-Van Camp	8.5	905	10.8	6.7	817	8.1
Graniteville	8.5	906	1.1	7.4	774	1.7

*The average return may be for less than a 5-year period as footnoted in individual Yardsticks tables.
def Deficit.

Who's Where In Profitability

Company	Return On Equity			Return On Capital		
	5-year* average	rank	latest 12 months	5-year* average	rank	latest 12 months
Zapata	8.4%	907	9.0%	5.1%	947	5.5%
Armstrong Rubber	8.3	908	6.5	6.2	888	5.7
Continental Airlines	8.2	909	def	5.1	948	1.9
Bergen Brunswig	8.2	910	16.4	7.1	797	12.8
Cyclops	8.2	911	16.9	6.1	896	11.1
Hart Schaffner & Marx	8.2	912	9.9	7.2	793	8.7
Marshall Field	8.1	913	8.6	6.8	812	6.2
Chessie System	8.1	914	10.0	5.3	939	6.2
Burlington Inds	8.0	915	7.4	6.5	844	6.0
Inco Ltd	8.0	916	3.9	5.2	944	2.5
Cannon Mills	7.9	917	10.5	7.9	742	10.4
J P Stevens	7.9	917	9.0	6.4	852	7.0
Pabst Brewing	7.9	919	4.0	7.2	791	3.5
Di Giorgio	7.8	920	11.1	6.1	892	8.0
Zenith Radio	7.8	921	7.9	7.3	784	7.1
Eastern Air Lines	7.8	922	9.4	4.5	961	5.5
Perini	7.8	923	7.7	6.4	852	6.3
First Penna Corp	7.7	924	6.6	6.2	888	5.9
Fairmont Foods	7.6	925	7.1	6.3	880	6.1
Kaufman & Broad	7.6	926	10.3	6.1	893	7.4
Bache Group	7.5	927	9.2	7.1	797	9.1
Rohm & Haas	7.5	928	16.2	6.3	865	12.3
Washington Gas Light	7.4	929	5.0	5.0	951	4.1
Control Data	7.4	930	11.0	6.0	905	8.6
Macmillan	7.3	931	8.4	6.1	894	6.9
Seatrain Lines	7.3	932	def	3.1	991	def
Wylain	7.2	933	8.5	5.9	906	6.8
Seaboard Coast Line	7.2	934	9.4	5.3	941	6.3
National Steel	7.2	935	10.4	5.5	930	7.4
Alexander's	7.1	936	6.3	4.6	958	4.6
Ceco	7.1	937	12.8	6.0	903	10.3
United States Steel	7.0	938	6.9	5.8	911	5.4
U S Industries	7.0	939	10.4	6.4	863	8.6
ASARCO	6.9	940	24.3	6.1	900	18.0
Varian Associates	6.8	941	5.2	6.0	901	4.6
Dan River	6.7	942	13.0	5.2	942	8.9
Thriftimart	6.7	943	17.2	5.5	932	14.0
Republic Steel	6.6	944	10.7	5.4	938	8.0
Pan Am World Airways	6.5	945	9.3	4.8	955	7.9
B F Goodrich	6.4	946	10.2	5.6	922	7.7
Jos Schlitz Brewing	6.4	947	def	4.9	953	def
St Louis-San Fran Ry	6.4	948	7.7	4.3	968	4.9
Kane-Miller	6.3	949	1.0	5.7	918	2.9
Bunker-Ramo	6.3	950	17.2	6.3	868	12.8
Southern Pacific	6.3	951	9.0	4.5	960	5.9
Springs Mills	6.3	952	11.1	5.5	930	9.5
Allied Van Lines	6.2	953	def	5.6	926	0.5
Pamida	6.1	954	def	6.5	847	1.5
LTV	6.1	955	27.8	3.9	978	6.9
Texas World	6.1	955	6.1	3.8	980	4.4
IU International	6.1	957	1.1	5.4	934	4.0
Mohasco	6.0	958	3.5	5.0	951	3.7
Avondale Mills	6.0	959	2.9	5.8	913	2.9
Dynalectron	6.0	960	3.5	5.4	937	3.6
Philips Industries	5.9	961	16.2	6.5	842	12.0
Ramada Inns	5.7	962	8.7	4.1	975	4.7
G C Murphy	5.6	963	3.6	5.0	958	3.9
Citizens & Southern NB	5.4	964	9.5	5.4	934	8.8
Burlington Northern	5.4	965	8.2	4.1	974	5.5
Evans Industries	5.3	966	6.3	4.2	971	4.9
Jonathan Logan	5.3	967	3.1	4.8	956	3.1
Monfort of Colorado	5.2	968	def	4.6	957	1.1
Phillips-Van Heusen	5.2	969	8.5	4.3	966	6.4
Litton Industries	5.2	970	26.6	4.2	970	14.8
J Weingarten	5.0	971	5.2	4.9	954	4.9
Marine Midland Banks	4.9%	972	7.8%	4.3%	968	5.8%
Fed-Mart	4.9	973	def	6.2	882	def
Bethlehem Steel	4.6	974	13.2	4.4	963	10.5
Western Union	4.6	975	def	4.4	962	2.3
Revere Copper	4.5	976	19.2	3.3	986	8.8
Phelps Dodge	4.5	977	8.4	4.3	967	6.2
Akzona	4.3	978	7.9	3.6	983	5.5
GAF	4.0	979	10.0	3.8	979	6.8
Questor	3.9	980	4.4	4.0	976	4.6
GEICO	3.8	981	53.8	def	1025	22.4
Cook United	3.8	982	6.2	3.6	982	5.0
Sherwin-Williams	3.8	982	3.9	3.9	977	3.4
Tappan	3.5	984	11.5	3.5	984	9.1
McLouth Steel	3.4	985	9.8	3.2	987	6.8
National Airlines	3.3	986	def	2.4	1002	def
Culbro	3.1	987	def	4.4	962	def
Reliance Group	3.1	988	34.8	10.3	542	15.2
Keystone Consolidated	3.1	989	def	3.5	985	1.2
Munford	3.0	990	2.3	4.4	962	3.8
Fidelcor	2.8	991	def	3.0	992	def
United Brands	2.7	992	4.7	3.1	989	4.2
Wheeling-Pitts Steel	2.7	993	17.8	3.1	990	11.1
Shopwell	2.3	994	5.6	2.5	1001	4.0
AM International	2.1	995	0.6	2.7	994	1.9
Uniroyal	2.0	996	def	2.9	993	1.4
Firestone	2.0	997	def	2.5	999	def
Allied Products	1.9	998	7.5	3.2	988	5.5
Kennecott Copper	1.8	999	6.1	2.6	998	5.4
Vornado	1.6	1000	2.7	2.7	994	3.4
American Motors	1.5	1001	18.9	2.3	1003	16.1
Warnaco	1.3	1002	15.5	2.7	996	10.6
General Refractories	1.1	1003	7.0	2.7	996	5.8
Goldblatt Brothers	0.1	1004	def	1.4	1006	def
M Lowenstein	def	1005	1.1	1.7	1004	2.6
Scot Lad Foods	def	1006	12.4	1.2	1009	7.2
Bell & Howell	def	1007	def	0.0	1011	def
White Motor	def	1008	9.0	1.4	1007	7.0
Rohr Industries	def	1009	32.8	0.6	1010	14.0
General Host	def	1010	11.8	2.5	999	8.0
Pueblo International	def	1011	13.4	def	1014	8.3
National Tea	def	1012	12.5	def	1016	8.1
Great Atl & Pac Tea	def	1013	def	def	1012	def
Penn-Dixie Inds	def	1014	5.7	def	1013	5.6
Chrysler	def	1015	def	def	1018	def
Champion Home	def	1016	def	def	1021	def
Massey-Ferguson	def	1017	def	1.7	1005	def
Arden Group	def	1018	5.9	1.3	1008	5.0
Singer	def	1019	def	def	1020	def
Fedders	def	1020	def	def	1017	def
Food Fair	def	1021	**	def	1019	**
Genesco	def	1022	12.5	def	1023	7.0
United Merch & Mfrs	def	1023	18.6	def	1026	4.9
City Stores	def	1024	def	def	1024	def
Commonwealth Oil Rfg	def	1025	26.8	def	1022	8.3
Chicago Rock Island	def	1026	def	def	1027	def
Intl Foodservice	def	1027	def	def	1028	def
National Kinney	def	1028	def	def	1015	1.1
Rath Packing	def	1029	def	def	1030	def
Allied Supermarkets	def	1030	def	def	1029	def
Cross & Trecker	**		24.6	**		22.6
DPF	**		19.2	**		8.0
First Natl Supermkts	**		10.2	**		6.3
Memorex	**		26.2	15.6	188	12.9
Toys "R" Us	**		24.5	**		16.1

*The average return may be for less than a 5-year period as footnoted in individual Yardsticks tables.

**Not available; not ranked. def Deficit.

How they rank, long- and short-term, in sales and earnings growth—and, just as important, whether they're ahead of inflation.

Who's Where in Growth

IN AN ERA OF RAVAGING INFLATION, growth is relative. Average annual increases in earnings per share of 7.1%, for example, would seem to be pretty good. Yet any company that grew only that much has just stayed even with inflation, as measured by the gross national product price deflator. And nearly one out of three of the companies listed has failed even to do that well. Included are such "growth" companies of a few years ago as ITT (whose average earnings increase was a tiny 1.9%), IU International, GEICO and Singer.

Of the 715 companies that *did* equal or exceed inflation, moreover, 318 showed greater sales growth than earnings growth. That does not necessarily mean there is something wrong, but it can suggest problems like dilution or—worse yet—weak earnings from acquisitions or market-share gains. Some industries are, willy-nilly, hostage to sales growth—like semiconductors and computers, where such premier companies as Intel, Data General and National Semiconductor all showed more sales growth than earnings growth.

Looking like a growth company is different from being one. We use an average of earnings during the period 1970-74 as a base. So if a company had deficits in one or more of those years, the road back to "normal" profitability would initially look like unusually rapid earnings growth. Similarly, Subaru of America, the most profitable of all 1,035 companies, shows up near the bottom of the growth list because of the statistical difficulty of representing its deficit-to-profit earnings history.

That's why it is useful to compare the growth in 1979 alone with the five-year average. For example, while Parker Pen's earnings growth lagged its sales growth for the five-year period, its 1979 earnings jumped significantly. By contrast, Houston Oil and Minerals five-year average sales growth was 80.2% and its earnings growth 51.1%—a gap that widened in 1979.■

Who's Where In Growth

Corresponding Annual Change in GNP Price Deflator: 7.1%

	Earnings Per Share			Sales		
Company	5-year* average	rank	79† vs 1976-78	5-year* average	rank	79† vs 1976-78
Reliance Group	140.9%	1	71.1%	11.3%	780	10.2%
Olin Corp	85.7	2	–0.6	9.8	793	18.8
Pneumo Corp	83.2	3	–8.9	15.4	380	30.7
RLC Corp	76.0	4	51.7	8.8	852	45.7
Whittaker	74.8	5	126.1	3.5	1004	81.3
Savannah Foods	73.4	6	–32.3	6.6	940	19.2
Manhattan Industries	69.6	7	–10.2	8.4	872	18.1
SCOA Industries	68.9	8	50.0	15.1	399	19.0
Savin	68.8	9	175.4	31.1	47	133.3
ConAgra	68.6	10	28.5	8.5	868	27.5
[illegible] Mfg	65.9	11	81.5	11.5	674	39.6
Raymond Intl	65.8	12	–8.2	21.0	137	61.5
Kay	63.6	13	48.9	21.7	122	47.6
Shearson Hayden Stone	62.6	14	77.1	34.6	32	74.2
Teledyne	57.5	15	100.4	10.4	762	21.2
Tandy	56.2	16	51.8	27.8	62	35.6
Service Merchandise	55.7	17	28.3	47.2	7	76.3
Storage Technology	53.7	18	111.5	44.8	9	128.4
Arcata	52.9	19	81.4	14.3	435	78.5
Houston Oil & Minerals	51.1	20	–14.7	80.2	1	36.1
Moore McCormack Res	50.8	21	32.5	22.0	119	33.1
Best Products	48.6	22	62.5	42.7	12	79.9
MGM	46.2	23	63.8	14.0	469	54.2
United Energy Resources	44.6	24	40.4	27.5	58	68.0
Ruddick	44.4	25	18.7	11.3	698	28.1
Bergen Brunswig	43.9	26	214.0	11.8	660	33.4
Intel	42.9	27	91.2	47.2	8	93.7
H K Porter	42.5	28	58.0	10.6	744	33.0
Boeing	42.3	29	130.8	8.7	857	66.4
NCR	42.1	30	22.1	8.7	860	16.6
Dorchester Gas	42.0	31	117.4	55.2	3	314.8
Levi Strauss	40.7	32	47.4	21.6	126	29.8
Tesoro	39.7	33	410.9	49.8	5	64.6
Data General	39.6	34	63.2	49.5	6	91.3
Intl Minerals & Chem	38.8	35	6.1	18.3	230	18.8
Beech Aircraft	38.1	36	39.6	18.2	232	37.5
Wheelabrator-Frye	37.7	37	28.5	21.6	124	72.6
Earth Resources	37.4	38	22.3	32.4	43	26.4
Evans Products	36.7	39	63.8	2.7	1010	47.4
Parker Drilling	36.6	40	48.1	35.2	28	74.0
Coachmen Industries	36.1	41	P–D	39.5	17	–23.5
Schlumberger	36.0	42	51.8	23.4	100	44.9
United States Filter	35.8	43	13.9	27.2	63	83.3
Curtiss-Wright	35.7	44	10.5	5.0	979	7.1
Wal-Mart Stores	35.7	45	51.0	40.2	14	65.6
Farm House Foods	35.6	46	67.6	22.8	92	34.7
Smith International	35.5	47	19.6	26.5	68	39.5
Thriftimart	35.4	48	98.1	5.1	977	18.4
Pitney-Bowes	35.4	49	46.3	13.0	500	48.2
Allis-Chalmers	35.1	50	16.0	9.9	789	20.5
Meredith	35.1	50	27.9	10.4	756	35.9
Texas Oil & Gas	35.1	52	50.3	50.2	4	53.0
Ryder System	35.0	53	40.0	19.4	189	48.1
Parsons	34.7	54	27.9	18.4	227	–11.8
Crown Central Petroleum	34.0	55	345.3	22.4	99	58.8
Fluor	34.0	56	33.9	32.6	40	51.0
Digital Equipment	32.8	57	60.7	37.4	21	76.7
Geico	32.8	58	50.7	66.8	2	93.8
Cameron Iron Works	32.6	59	49.6	22.0	109	28.5
Raychem	32.5	60	196.6	24.2	81	89.9
C F Braun	32.4	61	–18.1	18.7	180	–16.7
Modern Merchandising	32.3	62	3.3	34.5	33	32.4
Baker International	32.3	63	48.9	34.4	34	60.8
Paine Webber	32.2%	64	20.4%	22.1%	106	73.5%
Cone Mills	32.0	65	16.6	11.8	780	8.0
Hilton Hotels	31.9	66	108.6	4.3	993	28.3
Dayton-Hudson	31.8	67	3.2	13.7	496	39.2
Entex	31.7	68	45.6	35.5	26	46.1
Athlone Industries	31.6	69	33.3	6.5	944	18.2
SCM	31.6	70	42.1	8.7	859	28.8
Dean Foods	31.5	71	28.7	12.9	560	40.0
Wyman-Gordon	31.5	72	–14.4	16.6	317	33.7
Metromedia	31.5	73	50.6	11.8	655	29.7
Northrop	31.5	74	44.2	17.0	296	6.8
Perini	31.5	74	12.9	12.7	585	42.8
Cincinnati Milacron	31.0	76	132.8	11.5	679	34.2
Houston Natural Gas	31.0	77	13.8	34.9	30	28.2
Natl Semiconductor	31.0	77	117.0	37.5	20	93.8
UV Industries	30.9	79	342.1	8.6	867	–18.0
MCA	30.7	80	21.4	18.5	217	29.7
Halliburton	30.7	81	3.1	26.2	70	35.9
Washington Post	30.6	82	38.7	14.5	444	28.2
Bruno's	30.6	83	87.1	25.3	73	55.3
Cross & Trecker	30.5	84	125.7	14.8	419	66.9
Niagara Frontier Services	30.0	85	25.9	27.2	64	34.8
J Ray McDermott	29.8	86	–97.0	36.3	24	62.5
Ashland Oil	29.7	87	270.5	17.6	255	36.4
Itel	29.6	88	P-D	34.9	29	71.1
[illegible]	29.4	89	16.5	16.6	318	24.1
E-Systems	29.2	90	–10.9	13.1	546	11.0
Gates Learjet	29.1	91	20.6	21.6	127	58.6
Amsted Industries	29.0	92	58.5	12.8	572	47.2
Hughes Tool	28.5	93	47.8	34.1	35	49.1
UAL	28.5	94	P-D	11.2	703	7.6
Blue Bell	28.3	95	11.1	17.7	250	24.7
Sundstrand	28.1	96	47.8	14.5	447	24.9
Norin	27.9	97	162.4	4.4	991	15.1
Fort Howard Paper	27.7	98	29.2	19.3	197	30.6
U S Air	27.6	99	0.8	14.5	443	33.9
Nucor	27.5	100	132.8	20.7	149	70.7
Santa Fe Intl	27.4	101	–80.5	21.7	120	1.7
Humana	27.3	102	136.9	37.5	19	128.1
Cooper Industries	27.3	103	40.4	21.6	125	71.7
A E Staley Mfg	27.1	104	–19.8	21.1	134	36.7
United Technologies	27.1	104	14.9	19.0	200	37.5
Lear Siegler	27.0	106	72.1	10.4	759	47.1
Morrison-Knudsen	27.0	107	42.3	15.1	395	37.7
Natomas	26.9	108	23.2	36.4	22	66.9
Standard Oil Ohio	26.9	109	182.7	21.0	118	83.2
Iowa Beef Processors	26.8	110	21.2	16.6	311	70.4
McDonald's	26.7	111	34.7	26.5	69	31.1
Parker Pen	26.7	112	72.3	33.9	37	39.6
Pioneer Corp	26.6	113	47.1	30.9	48	30.6
Fisher Scientific	26.6	114	18.6	15.0	407	26.0
E F Hutton Group	26.2	115	26.7	24.5	79	71.6
Arvin Industries	26.1	116	–26.9	15.4	379	10.7
Big Three Industries	26.1	117	27.8	27.5	59	40.9
Kimberly-Clark	26.1	118	134.1	10.2	773	23.0
Charter Company	26.1	119	981.2	29.2	53	123.1
Consolidated Papers	26.0	120	72.0	15.1	397	27.6
Edison Bros Stores	26.0	121	33.8	13.7	499	25.6
Mason Shoe	25.9	122	23.5	12.4	606	30.0
Denny's	25.8	123	10.7	26.0	71	43.0
Fairchild Industries	25.7	124	170.8	11.2	706	69.6
MAPCO	25.6	125	18.0	30.7	49	42.3
Foster Wheeler	25.6	126	55.8	18.0	244	31.9

*The average return may be for less than a 5-year period as indicated in individual Yardsticks tables.

†Latest 12 months. P-D Profit to deficit.

Who's Where In Growth

Corresponding Annual Change in GNP Price Deflator: 7.1%

Company	Earnings Per Share 5-year* average	Earnings Per Share rank	Earnings Per Share 79† vs 1976-78	Sales 5-year* average	Sales rank	Sales 79† vs 1976-78
Mead	25.6%	127	26.7%	9.5%	814	33.1%
Wang Laboratories	25.5	128	164.6	32.3	44	152.4
Dan River	25.5	129	88.8	6.4	945	12.7
Tektronix	25.4	130	82.8	22.4	100	76.5
Waste Management	25.4	131	59.2	25.0	76	51.4
Air Prods & Chems	25.3	132	40.8	20.3	159	31.6
Hyster	25.2	133	81.5	13.8	487	42.7
EG&G	25.1	134	66.5	21.7	119	39.0
Pioneer Hi-Bred Intl	24.8	135	29.3	21.1	133	26.6
Kerr Glass Mfg	24.8	136	−24.1	11.3	691	22.9
Natl Convenience Strs	24.8	137	73.4	20.1	164	48.5
General Dynamics	24.7	138	246.3	9.7	885	34.1
North American Coal	24.6	139	65.9	21.9	115	28.6
Rapid-American	24.6	140	70.8	−0.5	1019	5.3
Central Steel & Wire	24.5	141	51.1	12.9	561	38.6
Varian Associates	24.5	141	−24.2	11.1	713	35.1
Walter Kidde	24.4	143	42.7	12.4	606	45.3
Dresser Industries	24.4	144	20.1	21.8	116	28.9
Bausch & Lomb	24.4	144	49.9	14.8	428	26.7
Tyler	24.3	146	22.1	16.0	347	31.8
Loews	24.3	147	50.9	33.3	38	20.6
American Stores	24.2	148	49.2	25.2	74	122.6
Super Valu Stores	24.2	149	39.2	15.8	360	26.6
American Intl Group	24.2	150	46.4	21.0	138	49.1
Transamerica	24.2	151	42.2	10.9	721	23.2
Archer Daniels Midland	24.0	152	3.8	18.2	283	33.5
Hospital Corp of Am	23.8	153	46.2	29.0	54	48.8
Midland-Ross	23.8	154	47.6	11.2	708	46.2
Rite Aid	23.7	155	40.1	20.8	147	28.1
Petrie Stores	23.6	156	15.7	17.2	288	16.9
Albertson's	23.6	157	52.3	21.1	135	38.1
Northwest Industries	23.6	157	27.3	17.1	292	28.5
RCA	23.6	159	23.9	8.9	862	22.6
Beckman Instruments	23.5	160	69.5	14.7	427	56.4
Dillingham	23.4	161	184.5	9.2	830	22.2
Golden State Foods	23.3	162	61.7	28.7	95	56.7
Potlatch	23.3	163	39.8	11.5	677	15.7
Owens-Corning Fiberglas	23.2	164	8.3	18.5	218	46.8
Masco	23.1	165	34.5	26.7	67	46.8
American Family	22.9	166	25.1	40.8	13	40.2
Baxter Travenol Labs	22.9	167	44.5	22.6	97	35.5
Diamond Shamrock	22.8	168	−14.5	18.4	225	39.4
Raytheon	22.8	168	58.9	13.7	498	26.6
General Instrument	22.8	170	59.9	8.0	899	20.7
Cluett, Peabody	22.7	171	−5.1	2.5	1081	10.8
Signal Companies	22.7	171	88.8	15.9	364	35.4
Auto Data Processing	22.7	173	46.2	29.4	52	59.4
Hewlett-Packard	22.6	174	58.4	21.7	121	56.4
Bucyrus-Erie	22.4	175	21.1	20.9	160	5.4
Abbott Laboratories	22.4	176	39.4	17.5	266	27.8
Capital Cities Communs	22.4	177	44.8	20.9	161	35.9
Sun Chemical	22.4	177	55.3	14.1	465	33.8
G Heileman Brewing	22.3	179	70.6	21.4	131	82.5
Dexter	22.3	180	28.4	17.8	56	49.6
Gulf & Western Inds	22.3	180	29.7	16.2	338	39.8
Amer Broadcasting	22.1	182	47.4	12.8	578	23.1
Belco Petroleum	22.1	182	52.9	21.0	134	41.3
Pay'n Save	22.1	184	18.6	27.6	57	21.0
U S Fidelity & Gty	22.1	185	44.6	14.4	440	27.6
Dillon Companies	22.0	186	20.7	22.9	91	42.4
Johnson Controls	22.0	187	27.4	18.3	229	137.2
Carpenter Technology	21.9	188	55.7	13.1	543	51.7
American Financial	21.9	189	247.7	27.5	60	14.0
Business Men's Assur	21.8	190	58.1	7.1	972	8.2
Crane	21.8	191	9.6	6.5	943	28.6

Company	Earnings Per Share 5-year* average	Earnings Per Share rank	Earnings Per Share 79† vs 1976-78	Sales 5-year* average	Sales rank	Sales 79† vs 1976-78
Interpublic Group	21.7%	192	47.6%	14.2%	459	39.3%
Melville	21.7	193	25.3	19.0	201	30.8
Phillips Petroleum	21.6	194	61.0	16.6	306	33.0
Caldor	21.5	195	48.7	21.3	182	34.5
K mart	21.5	196	21.5	20.2	163	25.4
Curtice-Burns	21.5	197	34.7	29.6	52	39.9
Wallace-Murray	21.4	198	52.8	10.8	738	33.4
General Reinsurance	21.4	199	47.3	18.1	239	22.0
Zurn Industries	21.3	200	35.5	7.4	994	24.6
Burlington Northern	21.2	201	68.5	12.5	593	38.9
Federal Co	21.2	202	33.9	15.9	358	46.0
Reserve Oil & Gas	21.2	203	81.3	35.2	27	29.7
Safeco	21.2	204	36.3	13.1	547	31.9
Engelhard Minerals	21.1	205	100.1	27.1	66	84.1
Colonial Penn Group	21.1	206	21.7	25.6	72	26.7
Petrolane	21.1	206	35.1	21.6	123	43.3
Imperial Corp of Am	21.0	208	28.1	20.1	168	33.7
Ametek	20.9	209	27.2	11.5	679	32.2
Mallinckrodt	20.9	210	50.7	17.7	251	21.3
Kaiser Alum & Chem	20.9	211	100.5	13.5	582	31.6
Kemper Corp	20.9	211	44.9	19.8	177	38.6
White Consolidated	20.8	213	10.8	13.4	530	34.2
Stauffer Chemical	20.8	214	9.1	15.2	388	21.4
PACCAR	20.8	215	59.7	14.9	411	36.2
Missouri Pacific Corp	20.6	216	35.0	13.7	496	25.2
Handy & Harman	20.5	217	20.6	10.4	756	46.0
Revco D S	20.4	218	41.3	25.0	76	44.2
Consol Freightways	20.4	219	28.3	13.8	491	49.6
Joy Manufacturing	20.3	220	5.4	15.7	366	15.9
Supermarkets General	20.3	221	55.9	9.9	789	23.5
Caterpillar Tractor	20.2	222	33.6	17.3	286	36.2
Koppers	20.2	223	26.6	15.6	374	28.5
Sigmor	20.1	224	153.3	37.9	18	125.4
Bluebird	19.9	225	116.9	11.8	657	37.3
Crouse-Hinds	19.9	226	35.7	22.9	98	27.7
Dover Corp	19.7	227	44.6	14.2	433	42.3
Rexnord	19.7	227	13.3	14.1	462	28.8
Ogden	19.7	229	22.2	6.3	953	30.8
Carson Pirie Scott	19.6	230	11.4	5.8	964	11.1
Atlantic Richfield	19.6	231	46.9	20.0	178	35.1
St Paul Companies	19.6	232	22.4	15.2	391	25.0
Idle Wild Foods	19.6	233	24.3	10.3	771	41.2
Amer Hoist & Derrick	19.6	234	10.8	12.2	631	21.8
Reynolds Metals	19.5	235	80.0	12.6	566	34.2
Fieldcrest Mills	19.5	236	36.5	9.7	799	23.4
Alco Standard	19.5	237	28.8	13.9	474	50.9
Allied Stores	19.4	238	16.7	6.4	951	14.0
Union Pacific	19.4	239	59.6	17.3	278	45.9
ERC	19.4	240	55.3	16.6	309	19.9
Warner Communications	19.3	241	34.4	18.1	238	50.4
Pacific Resources	19.3	242	22.9	39.6	16	33.3
Snap-On Tools	19.2	243	67.1	18.9	208	38.9
Colt Industries	19.2	244	34.9	13.9	475	35.8
Riegel Textile	19.2	244	−6.1	8.9	842	13.6
Outlet	19.2	245	−15.8	22.0	114	32.9
SmithKline Corp	19.1	247	100.0	16.4	326	51.2
Pennzoil	19.0	248	62.1	20.2	162	48.9
Aetna Life & Casualty	19.0	249	47.4	12.8	491	32.6
Philip Morris	18.9	250	39.9	20.1	167	46.9
Reliance Electric	18.9	251	29.9	16.0	330	45.5
Leaseway Transportation	18.8	252	28.2	13.4	529	30.2
Certain-teed	18.8	253	−55.5	13.7	495	13.5
Dow Chemical	18.8	253	27.0	17.6	289	37.8
Kaneb Services	18.8	255	28.6	34.7	31	79.4
Norfolk & Western Ry	18.7	256	55.9	4.2	996	19.8

*The average return may be for less than a 5-year period as indicated in individual Yardstick tables.

†Latest 12 months.

Who's Where In Growth

Corresponding Annual Change in GNP Price Deflator: 7.1%

	Earnings Per Share			Sales		
Company	5-year* average	rank	79† vs 1976-78	5-year* average	rank	79† vs 1976-78
Earle M Jorgensen	18.6%	257	30.9%	11.7%	663	33.8%
Marsh Supermarkets	18.6	258	-9.8	11.5	674	24.6
Amer Genl Insurance	18.6	259	31.8	12.6	590	17.0
Vulcan Materials	18.6	260	31.5	12.2	623	37.9
Roper Corp	18.5	261	-18.3	8.1	886	8.6
Farmers Group	18.4	262	39.3	13.1	540	28.6
W W Grainger	18.4	263	44.1	18.9	206	39.7
Super Food Services	18.4	263	0.8	16.5	321	51.4
Jack Eckerd	18.4	265	33.5	25.2	74	49.9
Waldbaum	18.4	266	30.1	14.9	411	26.5
Bache Group	18.3	267	47.9	12.5	597	59.1
Barnes Group	18.3	268	81.7	14.9	410	40.8
Thiokol	18.3	268	63.1	12.9	568	31.5
International Paper	18.2	270	131.4	10.9	727	16.3
Deluxe Check Printers	18.2	271	33.2	15.7	364	27.3
SEDCO	18.2	272	-83.9	22.0	110	-3.1
Bally Manufacturing	18.2	273	68.5	24.0	84	44.9
Dana	18.1	274	38.7	17.5	265	50.8
Centex	18.0	275	37.3	20.5	154	44.1
Pay Less Drug NW	18.0	275	22.0	16.8	302	19.5
Pittston	18.0	277	-13.4	15.4	382	18.4
Blount	18.0	278	50.0	9.3	824	25.4
Ex-Cell-O	18.0	278	42.6	12.8	617	75.1
Fred Meyer	18.0	280	19.2	17.4	273	23.2
Pennwalt	18.0	281	18.5	12.2	630	21.7
Emhart	17.9	282	6.4	32.6	41	22.9
Penn Traffic	17.9	283	23.4	17.7	246	35.7
Times Mirror	17.9	284	54.9	14.0	473	32.6
Conoco	17.9	285	79.6	16.5	325	32.7
Northern Natural Gas	17.9	286	22.5	19.0	200	36.0
General Cinema	17.8	287	34.9	17.7	247	36.5
Westmoreland Coal	17.8	288	-64.2	13.0	557	6.7
H J Heinz	17.8	289	49.3	12.4	613	31.8
Baldwin-United	17.7	290	54.0	19.4	191	104.5
Hanover Insurance	17.7	291	36.0	14.9	415	28.2
Provident Life & Acc	17.7	292	29.5	9.1	836	6.9
Continental Airlines	17.6	293	P-D	13.1	548	34.3
Chessie System	17.6	294	43.3	6.7	937	19.9
American Can	17.6	295	15.0	11.0	716	25.5
Harris Corp	17.6	296	56.5	11.4	685	49.5
Union Camp	17.6	296	22.8	11.0	719	22.8
Federal-Mogul	17.6	298	43.6	10.4	756	29.0
Harsco	17.6	299	18.8	13.8	491	28.6
Time Inc	17.5	300	19.7	16.9	298	75.3
Gannett	17.5	301	34.8	18.0	240	75.6
Getty Oil	17.4	302	70.2	15.0	404	29.8
Revlon	17.4	303	34.6	20.8	147	39.7
American Natl Ins	17.4	304	51.2	10.2	776	12.4
Avnet	17.4	304	46.8	14.1	462	52.6
Longs Drug Stores	17.4	304	27.9	18.4	226	28.1
Dart Industries	17.4	307	46.1	12.9	565	39.0
Oklahoma Natural Gas	17.4	307	-12.5	32.6	42	27.6
McGraw-Hill	17.4	309	42.6	8.9	848	24.9
Interpace	17.3	310	41.1	7.9	892	9.2
Universal Leaf	17.3	311	33.5	9.7	803	31.4
Deere	17.2	312	23.5	17.5	267	32.0
Peabody Intl	17.2	313	32.8	24.0	85	45.3
Gt Western Financial	17.2	314	30.9	15.0	407	39.7
Walt Disney	17.2	315	33.6	17.1	291	22.3
Sonoco Products	17.2	316	26.1	11.9	649	41.1
Hoover Universal	17.1	317	18.7	14.3	457	46.5
Nalco Chemical	17.1	318	40.1	15.9	359	26.8
Superior Oil	17.0	319	217.0	22.1	107	73.7
American Express	16.9	320	39.5	15.7	368	29.3
Anderson, Clayton	16.9	320	30.6	7.4	910	18.6

	Earnings Per Share			Sales		
Company	5-year* average	rank	79† vs 1976-78	5-year* average	rank	79† vs 1976-78
Crum & Forster	16.9%	322	62.1%	13.8%	482	31.3%
Gordon Jewelry	16.9	322	82.5	13.7	501	54.2
Litton Industries	16.8	324	D-P	6.9	928	17.3
H F Ahmanson	16.8	325	21.4	18.9	204	35.0
J P Stevens	16.8	326	15.5	8.2	879	18.3
Flowers Industries	16.7	327	21.9	22.2	105	43.2
Ohio Casualty	16.7	327	62.5	16.7	308	32.5
Rainier Bancorp	16.7	327	24.1	15.7	364	57.0
Malone & Hyde	16.6	330	24.6	17.7	253	39.9
Ball Corp	16.6	331	41.4	18.1	237	21.5
Norris Industries	16.6	331	-8.2	10.5	746	19.9
AMP	16.6	333	58.1	14.9	417	48.3
First Charter Finl	16.6	333	4.2	17.6	261	33.3
General Signal	16.5	335	39.0	22.0	110	54.7
Kellogg	16.5	335	15.1	14.8	421	17.6
VSI	16.5	337	121.3	14.7	428	91.2
Bird & Son	16.5	338	-11.1	16.3	332	20.2
Cullum Companies	16.5	338	82.7	21.7	118	41.7
Genuine Parts	16.4	340	37.5	16.9	299	31.8
Hershey Foods	16.4	340	22.2	11.4	686	58.1
Alcoa	16.4	342	114.6	12.6	591	33.9
DEKALB AgResearch	16.4	343	11.0	20.7	151	23.3
Liquid Air of No Amer	16.4	344	-13.2	16.1	342	21.3
Roadway Express	16.3	345	10.2	16.2	337	32.2
McDonough	16.3	346	18.0	9.7	800	21.0
CBS	16.3	347	7.6	13.8	482	29.4
Bendix	16.2	348	35.1	11.5	676	16.7
Crown Cork & Seal	16.2	349	32.2	15.1	398	28.8
Sysco	16.2	350	58.6	20.1	164	47.3
Emery Air Freight	16.0	351	26.9	19.4	187	40.7
Intl Harvester	16.0	352	51.4	11.3	696	32.0
Burroughs	16.0	353	29.2	13.8	488	26.4
Southland Corp	16.0	354	38.2	16.0	348	40.9
Chubb	16.0	355	34.9	11.7	665	15.2
Control Data	16.0	355	78.3	13.0	558	31.4
Cessna Aircraft	15.9	357	28.5	18.2	231	50.4
Connecticut General	15.9	358	16.7	13.2	538	20.4
North Amer Philips	15.9	359	27.7	22.6	95	21.3
PepsiCo	15.8	360	28.8	18.7	212	37.0
Economics Laboratory	15.8	361	35.6	17.7	245	31.5
Cummins Engine	15.8	362	-10.9	16.2	337	36.1
Schering-Plough	15.8	362	25.8	13.7	501	38.6
Willamette Inds	15.8	364	29.2	19.5	182	29.9
Weis Markets	15.8	365	33.0	13.6	506	27.4
Universal Foods	15.7	366	-17.9	19.6	181	49.7
Westvaco	15.7	367	26.2	12.4	609	19.9
R H Macy	15.7	368	54.5	9.7	802	29.1
Knight-Ridder News	15.7	369	35.9	17.3	281	24.2
Dravo	15.6	370	14.3	15.6	373	22.0
Franklin Mint	15.6	370	8.5	24.1	83	-5.3
Giant Food	15.6	370	47.0	9.9	788	18.3
General Mills	15.6	373	22.6	16.2	337	30.0
Cal-Maine Foods	15.6	374	25.6	22.8	92	4.1
Marriott	15.6	374	65.5	18.7	210	36.1
Dibrell Brothers	15.6	376	24.4	13.2	537	45.9
Amer Medical Intl	15.6	377	68.8	23.3	86	50.6
Amer Hospital Supply	15.5	378	32.3	16.5	318	29.1
Shell Oil	15.5	379	23.9	16.5	322	29.0
Echlin Manufacturing	15.5	380	33.9	19.4	192	26.2
Lubrizol	15.5	381	39.0	16.2	334	34.2
Congoleum	15.4	382	133.2	7.6	981	39.6
Republic of Texas	15.4	382	13.6	20.0	173	77.5
Travelers	15.4	384	46.4	11.6	669	14.6
Seaboard Allied Milling	15.4	385	63.8	12.2	638	14.9
Lowe's Companies	15.3	386	3.4	18.6	213	25.0

*The average return may be for less than a 5-year period as footnoted in individual Yardstick tables.

†Latest 12 months. P-D Profit to deficit. D-P Deficit to profit.

Who's Where In Growth

Corresponding Annual Change in GNP Price Deflator: 7.1%

Company	Earnings Per Share			Sales		
	5-year* average	rank	79† vs 1976-78	5-year* average	rank	79† vs 1976-78
Perkin-Elmer	15.3%	386	97.9%	17.7%	251	76.3%
Yellow Freight System	15.3	388	−28.3	18.4	224	30.0
Marsh & McLennan Cos	15.3	389	39.5	15.2	390	25.4
A-T-O	15.3	390	33.6	7.4	911	17.4
Kerr-McGee	15.2	391	28.8	20.7	152	19.7
Georgia-Pacific	15.2	392	25.7	15.9	355	35.3
Circle K	15.2	393	107.6	20.5	156	56.0
Ideal Basic Inds	15.1	394	33.5	11.5	679	21.9
Stop & Shop	15.1	395	20.2	10.0	784	13.3
Texas Instruments	15.1	396	41.0	14.6	431	46.3
A C Nielsen	15.1	397	25.3	16.5	318	44.8
Allen Group	15.0	398	41.9	11.8	652	17.8
Campbell Taggart	15.0	399	18.1	13.9	481	23.1
Nash Finch	15.0	399	28.6	16.8	301	25.4
Wells Fargo	15.0	401	35.2	15.0	401	59.7
Norton	15.0	402	66.0	14.1	467	34.5
Butler Manufacturing	15.0	403	32.7	12.2	625	20.1
U S Bancorp	14.9	404	30.3	14.5	438	40.1
Gt Northern Nekoosa	14.9	405	40.5	14.3	454	22.7
Gould	14.9	406	0.0	24.4	80	26.2
Pillsbury	14.9	406	36.7	15.8	360	55.0
Braniff Intl	14.8	408	−52.1	16.3	330	54.9
Sperry	14.8	409	31.2	10.3	766	19.8
Texas Commerce Bshs	14.8	410	36.0	27.5	61	74.9
United States Gypsum	14.8	411	94.4	12.2	625	26.6
FMC	14.7	412	31.7	10.1	782	32.5
Johnson & Johnson	14.7	412	32.6	16.8	302	35.9
CPC International	14.7	414	32.4	11.2	703	22.3
BankAmerica Corp	14.7	415	37.7	17.5	267	51.3
Intl Flavors & Frag	14.7	415	31.5	16.1	346	26.9
McCormick & Co	14.6	417	18.8	16.1	341	22.4
U S Home	14.6	418	117.2	17.3	278	64.4
Kroger	14.6	419	57.8	11.5	684	27.4
Republic Natl Life	14.6	420	38.5	3.6	1003	16.6
United Refining	14.5	421	183.9	24.1	82	30.5
Standard Oil Indiana	14.4	422	41.2	18.1	235	27.4
Flickinger	14.4	423	19.0	17.3	282	11.1
Continental Corp	14.3	424	32.3	11.0	714	17.7
West Point-Pepperell	14.3	425	−5.1	12.4	603	25.8
General Foods	14.2	426	39.5	12.7	579	8.7
Upjohn	14.1	427	45.1	15.9	352	25.2
Ford Motor	14.1	428	4.1	12.7	586	22.7
Eastern Gas & Fuel	14.1	429	31.5	14.5	446	23.0
Dayco	14.1	430	36.4	9.6	810	27.7
Bristol-Myers	14.0	431	24.0	12.4	606	21.1
Jim Walter	14.0	432	23.6	10.4	763	31.2
Transway Intl	13.9	433	30.4	8.9	841	20.5
Harnischfeger	13.9	434	P-D	19.9	176	19.0
Stone Container	13.9	435	39.8	13.5	513	16.3
IBM	13.9	436	11.4	13.5	510	21.4
Northwest Energy	13.9	437	57.6	30.2	58	34.9
Dennison Mfg	13.8	438	29.0	13.2	532	23.3
Becton, Dickinson	13.8	439	21.5	15.1	299	35.9
Combustion Engineering	13.8	439	33.7	12.3	622	25.7
Toro	13.8	441	149.4	39.2	198	124.1
Kings Dept Stores	13.8	442	4.6	12.2	631	23.5
CBI Industries	13.7	443	1.8	8.6	861	−4.1
Ryan Homes	13.7	444	37.5	16.5	318	55.5
Eagle-Picher Inds	13.7	445	20.4	10.9	724	25.6
So Natural Resources	13.7	446	18.7	17.5	270	60.2
Carnation	13.7	447	19.5	11.8	652	17.1
May Dept Stores	13.7	447	18.8	10.5	752	16.9
Parker-Hannifin	13.6	449	41.3	16.1	343	66.5
Alcan Aluminium	13.6	450	105.1	13.2	533	36.8
Godfrey	13.6	451	40.8	12.4	604	22.3

Company	Earnings Per Share			Sales		
	5-year* average	rank	79† vs 1976-78	5-year* average	rank	79† vs 1976-78
National Distillers	13.6%	451	19.9%	6.9%	931	26.2%
A O Smith	13.6	453	37.6	6.4	949	19.0
Marathon Oil	13.6	454	50.2	20.4	158	41.4
Michigan National	13.6	455	24.2	14.0	472	40.7
Santa Fe Industries	13.6	455	31.7	11.8	655	30.5
Pullman	13.5	457	36.7	20.8	145	36.4
Fruehauf	13.4	458	39.6	20.9	142	34.5
First Intl Bshs	13.4	459	31.7	22.6	96	66.3
Warner & Swasey	13.4	460	124.9	8.3	877	10.1
United States Shoe	13.4	461	19.5	11.6	672	37.9
Lance	13.3	462	−2.5	14.3	456	22.9
TRW	13.3	462	27.2	12.4	613	32.2
Dow Jones	13.2	464	33.5	14.7	425	32.1
Central Louisiana Engy	13.2	465	71.5	34.1	36	103.7
R R Donnelley & Sons	13.2	466	25.4	13.0	550	33.1
Celanese	13.2	467	77.2	10.7	737	28.4
Republic Finl Svcs	13.1	468	41.2	17.5	263	33.7
Martin Marietta	13.1	469	60.6	7.0	926	35.9
Ralston Purina	13.1	470	−9.6	12.2	623	23.1
Hanna Mining	13.1	471	29.5	10.8	728	20.0
Maryland Cup	13.1	471	8.6	15.6	370	25.8
Westinghouse Electric	13.1	471	18.0	4.5	986	12.0
Rollins Inc	13.1	474	23.7	12.6	589	37.5
Monsanto	12.0	475	16.5	13.6	509	28.6
Intl Multifoods	13.0	476	9.7	8.0	891	14.7
Occidental Petroleum	13.0	477	186.4	13.5	516	41.3
Borg-Warner	13.0	478	38.3	8.9	850	26.7
Merck	13.0	478	30.9	12.9	562	27.7
First City Bancorp	12.9	480	32.5	23.1	89	66.6
Combined Insurance	12.9	481	27.7	12.5	599	24.5
Bemis	12.9	482	82.9	6.4	947	2.5
Emerson Electric	12.9	482	35.7	17.6	255	42.8
Sheller-Globe	12.8	484	−29.7	17.5	263	22.0
Hannaford Bros	12.8	485	−1.2	14.5	444	20.8
Stanley Works	12.8	486	48.9	11.0	714	31.0
Citicorp	12.7	487	21.3	19.3	195	64.3
Clark Oil & Refining	12.7	487	190.9	19.1	199	30.2
DeSoto	12.7	489	−29.5	4.9	981	0.9
Southern Railway	12.7	489	45.1	9.2	827	23.1
NVF	12.7	491	164.6	6.5	942	27.3
Sav-On-Drugs	12.7	491	39.0	14.1	467	31.3
Seafirst	12.6	493	32.8	15.7	363	62.8
Western Air Lines	12.6	494	25.1	13.4	520	27.0
Black & Decker	12.5	495	75.8	17.5	269	43.5
General Motors	12.5	495	6.9	13.2	535	23.3
Continental Illinois	12.5	497	21.2	17.2	288	72.8
Mercantile Stores	12.5	498	23.9	12.2	633	26.4
Koehring	12.5	499	41.0	5.1	974	25.9
Cabot	12.4	500	83.9	17.0	295	92.5
Jefferson-Pilot	12.4	501	26.4	10.1	780	20.0
Security Pacific	12.4	502	43.7	15.0	406	57.4
Witco Chemical	12.4	503	55.4	14.6	433	40.9
Consolidated Edison	12.4	504	−1.0	12.8	574	7.1
W R Grace	12.3	505	17.0	10.2	774	26.0
Lucky Stores	12.3	506	47.6	14.9	411	34.4
Capital Holding Corp	12.3	507	21.0	8.6	862	11.2
National Gypsum	12.3	507	91.1	8.6	865	31.2
American Home Products	12.3	509	24.1	11.1	710	21.2
Kraft	12.3	510	30.2	9.7	903	18.1
Kaiser Steel	12.2	511	175.8	8.8	853	28.8
Winn-Dixie Stores	12.2	511	31.5	15.7	366	28.1
Fleming Companies	12.2	513	10.9	17.0	297	19.9
PPG Industries	12.2	514	27.8	12.3	619	20.2
Sun Company	12.2	514	41.7	23.7	94	47.3
Ethyl	12.2	516	20.8	13.2	534	25.4

*The average return may be for less than a 5-year period as footnoted in individual Yardstick tables.

†Latest 12 months.

Who's Where In Growth

Corresponding Annual Change in GNP Price Deflator: 7.1%

Company	Earnings Per Share			Sales		
	5-year* average	rank	79† vs 1976-78	5-year* average	rank	79† vs 1976-78
Eli Lilly	12.1%	517	35.8%	13.9%	479	36.2%
Motorola	12.1	518	38.8	10.8	733	39.2
Corning Glass Works	12.1	519	35.5	8.0	890	23.6
Stanadyne	12.1	520	38.0	11.7	664	39.8
Wm Wrigley Jr	12.1	520	21.5	13.7	500	21.6
Continental Group	12.0	522	5.9	9.1	836	15.9
Dorsey	11.9	523	86.6	18.1	235	53.7
Borden	11.9	524	8.7	8.8	851	17.2
Heublein	11.9	525	25.8	12.8	577	10.9
Flintkote	11.8	526	142.5	7.4	908	36.5
USLIFE	11.8	526	31.4	12.2	633	34.6
Coca-Cola	11.8	528	24.0	13.5	518	31.3
Purex Industries	11.8	528	17.3	7.2	921	26.7
Brown-Forman Dist	11.8	530	78.6	10.2	775	46.0
Dean Witter Reynolds	11.8	531	−51.5	18.5	220	83.0
Amer Maize-Products	11.7	532	3.2	12.9	566	23.6
Castle & Cooke	11.7	532	−4.6	13.0	559	40.8
Walgreen	11.7	534	66.5	6.7	938	12.5
Chesebrough-Pond's	11.7	535	29.8	17.4	274	34.3
Honeywell	11.6	536	61.6	7.4	911	34.3
McGraw-Edison	11.6	537	12.0	7.8	898	30.5
Minn Mining & Mfg	11.6	537	43.4	13.1	548	29.8
Panhandle Eastern	11.6	539	45.7	19.3	194	59.5
Lukens Steel	11.5	540	−34.9	8.8	856	19.9
Weyerhaeuser	11.5	541	63.1	13.1	543	31.7
Timken	11.5	542	37.1	15.0	407	27.0
Illinois Tool Works	11.5	543	54.3	12.5	595	29.7
Southwestern Life	11.5	544	20.8	5.8	957	10.9
Union Oil California	11.4	545	35.1	16.3	333	22.8
Northwest Bancorp	11.4	546	28.5	15.1	394	47.4
Envirotech	11.4	547	−57.0	19.5	182	18.2
H H Robertson	11.4	548	41.5	6.2	954	26.0
Howard Johnson	11.3	549	9.7	8.9	842	20.1
Valley Natl Bk Ariz	11.3	550	60.1	12.2	628	55.9
Longview Fibre	11.3	551	37.7	11.6	671	7.9
Del E Webb	11.3	551	−13.0	6.4	946	20.1
ACF Industries	11.3	553	29.5	13.2	531	34.2
Fedl Natl Mortgage	11.3	554	−3.2	14.4	448	37.5
Copperweld	11.2	555	49.1	12.7	584	36.2
Quaker Oats	11.2	555	47.9	13.9	478	32.3
Champion Intl	11.2	557	47.6	10.3	770	16.9
Procter & Gamble	11.2	558	30.2	15.3	385	33.0
General Electric	11.2	559	28.2	10.5	748	23.3
PennCorp Financial	11.2	560	65.8	15.6	371	50.4
NLT	11.2	561	15.6	8.9	846	24.7
George A Hormel	11.1	562	62.0	8.6	862	23.1
Dun & Bradstreet	11.0	563	41.4	11.3	698	34.3
Murphy Oil	11.0	564	74.7	19.6	184	32.3
Strawbridge & Clothier	11.0	564	12.8	9.3	821	21.1
J P Morgan & Co	11.0	566	28.2	15.9	382	60.9
Reeves Brothers	10.9	567	74.9	7.7	899	21.0
Beatrice Foods	10.9	568	12.6	16.6	314	25.9
Copeland	10.9	569	−42.8	8.6	865	19.4
Sunbeam	10.9	570	19.3	13.8	485	14.0
Nationwide Corp	10.9	571	23.8	11.0	716	19.1
Colgate-Palmolive	10.8	572	8.9	16.1	345	21.5
Consol Natural Gas	10.8	573	4.0	14.5	442	31.4
DETROITBANK Corp	10.8	574	34.5	12.1	640	48.0
City Investing	10.8	575	69.7	12.7	578	54.0
Clark Equipment	10.8	575	54.1	8.4	871	24.6
Cook United	10.8	575	67.7	−6.6	1031	6.1
Crocker Natl Corp	10.8	575	89.8	13.9	476	50.0
Square D	10.8	579	30.4	12.7	579	29.9
Owens-Illinois	10.8	580	28.9	10.7	736	20.3
Coastal States Gas	10.8	581	64.7	36.3	25	50.4

Company	Earnings Per Share			Sales		
	5-year* average	rank	79† vs 1976-78	5-year* average	rank	79† vs 1976-78
Pfizer	10.8%	581	26.1%	13.0%	552	26.2%
Kaufman & Broad	10.7	583	28.7	8.5	869	16.0
Scott & Fetzer	10.7	584	27.0	14.8	423	72.7
Whirlpool	10.7	584	7.1	5.3	972	16.8
Adolph Coors	10.7	586	12.2	12.4	618	20.6
Avon Products	10.7	587	23.6	11.5	678	35.2
Nabisco	10.7	587	15.5	10.6	739	11.4
Scott Paper	10.6	589	78.4	12.1	644	23.0
Manufacturers Hanover	10.6	590	20.8	17.7	249	61.3
St Regis Paper	10.6	590	30.0	12.7	583	23.7
Insilco	10.6	592	19.8	5.6	969	22.9
Delta Air Lines	10.6	593	18.9	16.3	329	42.9
Louisiana-Pacific	10.5	594	75.4	21.8	117	58.6
Northwest Airlines	10.5	594	21.7	13.7	503	30.2
Tecumseh Products	10.5	594	35.3	6.9	929	28.6
Polaroid	10.5	597	−47.7	13.6	504	24.8
Ark Louisiana Gas	10.5	598	28.1	13.0	555	46.0
Armco	10.4	599	63.3	12.1	645	33.5
IC Industries	10.4	600	12.3	17.7	254	75.2
Federated Dept Stores	10.4	601	5.1	12.6	587	16.1
Standard Oil Calif	10.4	602	68.9	20.8	144	27.7
Alleghany Corp	10.3	603	68.5	34.5	34	122.1
Western Bancorp	10.3	604	55.9	11.8	662	51.8
Tenneco	10.3	605	16.9	17.1	290	38.5
Wetterau	10.3	606	13.2	13.9	479	17.7
GK Technologies	10.2	607	207.2	9.1	833	80.3
Foremost-McKesson	10.1	608	48.3	8.1	885	15.8
Stewart-Warner	10.1	609	20.3	7.6	904	21.8
Suburban Propane Gas	10.0	610	60.6	20.8	146	38.1
National-Standard	10.0	611	19.7	11.2	706	27.6
Armstrong Rubber	10.0	612	−25.7	10.5	748	10.0
Genl Tire & Rubber	10.0	613	−14.3	11.0	719	9.2
McLouth Steel	9.9	614	776.4	12.0	646	32.6
Signode	9.9	615	32.4	12.3	621	30.4
Oscar Mayer	9.8	616	36.5	9.8	796	14.9
Wachovia Corp	9.8	616	29.7	10.5	748	44.6
Anchor Hocking	9.8	618	−1.9	13.4	525	13.6
Texas Eastern	9.8	618	32.4	18.6	214	42.2
Irving Bank Corp	9.8	620	37.8	10.9	725	59.0
Safeway Stores	9.8	620	30.6	12.9	567	16.3
Liberty Natl Life	9.8	622	17.3	9.7	806	17.5
Richardson-Merrell	9.8	623	41.5	13.2	535	33.0
Central Tel & Utils	9.8	624	17.6	14.1	462	42.0
Ferro	9.8	624	34.7	14.6	429	32.1
Macmillan	9.7	626	20.5	5.0	980	14.5
Moore Corp	9.7	627	36.8	15.4	377	24.8
VF Corp	9.6	628	35.4	8.8	855	13.8
Gifford-Hill	9.5	629	61.4	14.6	433	28.8
Chromalloy American	9.5	630	34.4	15.4	383	32.0
Campbell Soup	9.5	631	22.9	9.9	792	30.1
Lone Star Industries	9.5	632	80.6	10.6	745	−16.4
Texas Gas Transmsn	9.5	632	19.6	14.6	430	45.6
Peoples Gas	9.5	634	10.9	19.9	174	55.7
Textron	9.5	635	20.3	10.4	759	18.6
Lincoln Natl Corp	9.4	636	26.5	12.7	579	23.7
First Bank System	9.4	637	35.8	13.4	529	50.8
INA	9.4	637	49.6	16.6	311	28.5
Mobil	9.4	639	71.4	22.1	108	32.7
Briggs & Stratton	9.3	640	46.3	12.4	611	57.7
United Telecom	9.3	641	17.9	13.2	538	35.8
Gerber Products	9.3	642	12.3	9.4	820	18.2
Standard Brands	9.2	643	17.0	11.3	700	20.3
Manufacturers National	9.2	644	28.9	12.0	647	51.9
Natl Detroit Corp	9.1	645	22.4	9.5	813	44.9
Union Carbide	9.1	646	31.4	14.0	469	25.2

*The average return may be for less than a 5-year period as footnoted in individual Yardsticks tables.

†Latest 12 months.

Who's Where In Growth

Corresponding Annual Change in GNP Price Deflator: 7.1%

	Earnings Per Share			Sales		
Company	5-year* average	rank	79† vs 1976-78	5-year* average	rank	79† vs 1976-78
R J Reynolds Inds	9.1%	647	24.1%	15.0%	402	30.6%
General Tel & Elec	9.1	648	8.4	11.6	669	24.5
Norton Simon	9.1	649	22.2	10.3	766	42.6
F W Woolworth	9.1	649	44.4	11.4	687	17.8
Collins & Aikman	9.0	651	–0.6	10.6	742	11.8
Xerox	9.0	652	29.5	15.5	376	28.8
Esmark	9.0	653	7.6	9.1	833	20.7
Household Finance	9.0	653	30.1	12.4	604	26.8
Crown Zellerbach	9.0	655	35.1	12.9	564	17.1
Rose's Stores	9.0	656	9.2	10.4	754	5.5
Interco	8.9	657	16.8	11.1	711	15.0
Johns-Manville	8.9	657	9.7	13.4	523	42.6
St Joe Minerals	8.9	657	38.5	22.4	98	31.4
Talley Industries	8.9	657	–44.8	6.0	960	1.7
Atlanta Gas Light	8.9	661	–0.1	14.7	425	56.3
Host International	8.9	662	42.5	13.8	489	31.9
Merrill Lynch & Co	8.9	663	29.4	14.4	453	48.1
Cannon Mills	8.8	664	56.0	7.6	906	21.1
Pittsburgh National	8.8	665	33.3	13.0	554	57.1
Springs Mills	8.7	666	101.4	9.0	840	18.2
Trane	8.7	667	12.7	11.5	679	25.7
American Brands	8.7	668	81.9	9.3	825	22.6
Maytag	8.7	668	23.2	9.1	838	19.4
Squibb	8.7	668	5.6	10.5	753	25.8
Fleetwood Enterprises	8.6	671	10.0	17.5	262	28.3
Univar	8.6	671	122.3	14.4	452	13.7
McLean Trucking	8.6	673	-64.7	16.1	343	38.9
Interlake	8.6	674	50.9	13.8	490	33.9
Garfinckel Brooks Bros	8.5	675	21.5	10.3	769	19.2
Eaton	8.5	676	36.9	12.1	638	50.8
American Greetings	8.4	677	19.7	11.3	692	23.8
American Tel & Tel	8.4	678	14.9	11.5	673	19.4
Gino's	8.4	678	40.6	15.3	387	18.0
AmeriTrust Corp	8.4	680	16.0	12.5	602	39.4
Zapata	8.4	681	81.2	13.4	523	18.4
Peavey	8.3	682	27.0	9.8	794	17.1
Pac Gamble Robinson	8.3	683	24.2	10.9	722	18.6
Southwestern Pub Svc	8.3	684	–10.9	21.5	129	27.4
J C Penney	8.2	685	–11.2	11.3	690	16.7
First Chicago Corp	8.2	686	8.6	15.0	404	50.7
Stokely-Van Camp	8.2	687	64.1	9.5	815	16.2
Transco Companies	8.1	688	0.7	13.5	517	68.3
Hammermill Paper	8.1	689	36.9	12.4	611	28.5
Nashua	8.1	689	67.2	17.6	259	37.8
Amstar	7.9	691	–20.6	9.8	798	5.4
Louisiana Land & Exp	7.9	692	48.7	22.3	103	59.6
Tampa Electric	7.8	693	2.2	21.4	130	24.6
Gulf Resources & Chem	7.7	694	16.7	18.8	207	33.0
Avery International	7.7	695	51.9	16.0	349	27.9
Eastman Kodak	7.7	695	41.7	11.8	661	26.4
Gray Drug Stores	7.7	697	–35.8	10.4	763	28.9
Mellon National Corp	7.7	698	29.1	9.9	787	46.5
Minnesota Gas	7.6	699	48.5	21.6	128	37.9
BanCal Tri-State	7.5	700	14.7	7.1	924	28.1
E I du Pont	7.5	700	60.6	12.5	598	27.7
Southern Union	7.5	700	44.1	31.2	46	34.7
Sybron	7.5	700	–9.6	9.3	822	17.1
Rockwell Intl	7.5	704	71.5	13.8	485	10.8
NICOR	7.4	705	20.2	20.7	150	36.7
Public Service Indiana	7.4	706	22.1	16.4	328	33.2
Exxon	7.3	707	46.3	17.3	278	31.8
Freeport Minerals	7.3	707	188.6	14.4	450	42.4
New York Times	7.3	709	24.1	8.8	853	21.0
Levitz Furniture	7.2	710	70.2	9.9	791	22.9
Wisconsin Public Svc	7.2	711	18.4	17.4	275	23.2
Houston Industries	7.2%	712	16.4%	24.7%	78	57.9%
Peoples Drug Stores	7.2	712	34.2	9.2	829	17.0
Northern Trust	7.1	714	7.8	11.3	694	54.2
Allegheny Ludlum Inds	7.1	715	348.4	10.6	740	40.9
St Louis-San Fran Ry	7.0	716	14.1	8.0	888	19.5
Trans Union	7.0	717	1.9	19.5	185	9.2
Ingersoll-Rand	7.0	718	20.9	16.6	311	16.9
Florida Power & Lt	6.9	719	13.4	18.5	220	28.3
Amerada Hess	6.9	720	151.5	18.8	209	33.1
Hobart	6.8	721	16.4	11.8	657	26.6
Zayre	6.8	722	9.2	7.5	907	16.8
Tiger International	6.8	723	28.3	18.8	208	54.8
ARA Services	6.8	724	26.2	12.5	593	30.7
National Svc Inds	6.8	724	54.0	7.3	916	31.2
Gulf Oil	6.7	726	53.6	14.6	435	23.0
Magic Chef	6.7	727	23.9	12.8	576	67.5
Inland Steel	6.7	728	30.6	11.4	687	30.5
Warner-Lambert	6.7	729	–12.3	11.4	689	23.1
Harcourt Brace Jovan	6.6	730	4.7	16.2	337	25.5
Clorox	6.6	731	21.7	18.2	233	–38.3
Washington Natl Corp	6.6	732	34.0	20.2	168	21.3
Southwest Forest Inds	6.5	733	58.6	12.4	613	22.4
B F Goodrich	6.5	734	68.5	8.9	842	27.5
BancOhio Corp	6.3	735	16.0	14.5	438	38.8
Armstrong Cork	6.3	736	29.7	10.0	784	19.8
New England G & E	6.3	736	18.1	14.1	466	7.5
Harris Bankcorp	6.3	738	–6.7	12.5	599	53.6
Wisconsin Elec Power	6.3	739	12.8	13.0	555	20.8
Anheuser-Busch Cos	6.2	740	38.7	13.6	507	42.7
Quaker State Oil	6.2	740	39.9	20.8	142	38.6
Chemical New York	6.2	742	19.3	16.7	386	49.9
Cities Service	6.2	742	15.0	16.5	323	31.4
Zale	6.2	742	39.5	9.5	818	20.3
Duke Power	6.2	745	15.2	17.3	276	16.1
Libbey-Owens-Ford	6.1	746	6.3	10.8	730	21.6
Sears, Roebuck	6.1	747	7.3	7.8	895	3.8
Di Giorgio	6.1	748	35.4	12.2	625	26.5
Brockway Glass	6.1	749	–61.2	14.6	432	15.1
Turner Construction	6.1	749	44.2	7.0	927	70.6
Edward Hines Lumber	6.0	751	–30.1	12.7	579	23.9
Laclede Gas	6.0	752	36.5	15.9	355	40.6
Consumers Power	5.9	753	4.5	16.2	336	14.4
Cyclops	5.9	754	84.5	9.3	825	35.5
Dillard Dept Stores	5.9	754	6.8	19.3	193	32.3
Saga Corp	5.9	756	–80.0	20.0	172	40.1
Olympia Brewing	5.9	757	12.0	19.5	185	0.8
American Cyanamid	5.9	758	16.1	11.7	666	26.8
Bunker-Ramo	5.8	759	107.5	6.0	962	22.3
Florida Power	5.8	759	–9.8	22.3	104	23.7
Carter Hawley Hale	5.8	761	12.0	13.6	505	36.7
Seagram	5.7	762	24.7	6.4	947	17.8
NCNB	5.6	763	64.6	11.1	711	56.1
Republic Steel	5.5	764	106.7	10.7	738	32.3
Brown Group	5.5	765	40.6	9.6	808	19.3
Fischbach & Moore	5.5	765	14.2	10.4	755	20.4
Arizona Public Service	5.4	767	–4.9	19.8	177	31.3
Diamond Intl	5.4	767	25.7	9.7	800	25.8
So New England Tel	5.4	769	12.2	10.4	765	22.1
New England Electric	5.3	770	25.5	12.5	592	13.7
Pacific Lighting	5.3	770	38.9	13.4	528	36.8
McDonnell Douglas	5.3	772	43.4	8.6	864	36.8
Southern Calif Edison	5.2	773	23.2	15.6	375	18.6
Sterling Drug	5.2	774	23.7	10.4	759	20.9
Revere Copper	5.2	775	135.9	7.3	917	30.4
National Can	5.2	776	126.3	13.4	520	14.7

*The average return may be for less than a 5-year period as footnoted in individual Yardsticks tables.

†Latest 12 months.

Who's Where In Growth

Corresponding Annual Change in GNP Price Deflator: 7.1%

Company	Earnings Per Share			Sales		
	5-year* average	rank	79† vs 1976-78	5-year* average	rank	79† vs 1976-78
NL Industries	5.2%	777	29.6%	7.1%	922	33.5%
Oxford Industries	5.1	778	5.6	7.8	894	14.7
AMAX	5.1	779	156.8	9.5	812	83.7
A H Robins	5.0	780	–5.9	13.0	560	18.5
Brooklyn Union Gas	5.0	781	29.1	16.7	305	26.4
Wisconsin Gas	5.0	782	23.4	16.0	351	28.5
Walter E Heller Intl	4.9	783	21.7	11.6	664	42.8
Am Natural Resources	4.9	784	–23.4	18.5	223	44.0
ENSERCH	4.8	785	13.2	33.0	39	43.8
Bank of New York	4.8	786	31.3	12.5	599	74.9
Browning-Ferris Inds	4.7	787	43.7	10.6	742	35.2
Gulf United	4.7	788	31.7	12.2	633	31.4
Jewel Companies	4.6	789	36.6	9.6	807	12.6
Carolina Pwr & Lt	4.6	790	8.6	20.1	166	12.9
Champion Spark Plug	4.6	790	13.2	10.5	746	34.8
Monfort of Colorado	4.6	792	P-D	10.6	740	55.4
Central & South West	4.5	793	14.0	19.7	180	20.9
NN Corp	4.4	794	41.5	13.3	530	35.4
National Fuel Gas	4.4	795	22.4	16.8	302	27.5
CIT Financial	4.3	796	70.7	5.9	932	19.6
Pa Power & Light	4.3	797	13.5	15.3	384	17.5
Hercules	4.3	798	88.0	11.3	696	29.2
No States Power	4.2	799	15.0	14.5	438	15.6
Texas Utilities	4.2	800	4.1	18.5	219	25.9
Rochester Gas & Elec	4.2	801	–1.4	11.2	706	8.9
Girard	4.1	802	72.3	9.6	810	39.5
Wisconsin Pwr & Lt	4.1	802	13.5	17.1	293	25.7
Alexander's	4.1	804	–3.2	5.4	971	12.0
Beneficial Corp	4.0	805	15.4	6.7	935	20.6
Holiday Inns	4.0	805	–1.6	6.0	961	6.9
Thrifty Corp	4.0	805	55.4	12.2	633	24.4
Masonite	4.0	808	71.4	11.2	707	19.6
Philadelphia Natl	4.0	809	38.2	11.9	650	42.8
Columbia Gas System	3.9	810	11.4	15.3	385	25.9
Southern Pacific	3.8	811	53.5	7.6	905	21.2
Hart Schaffner & Marx	3.8	812	26.5	5.8	964	8.9
Indianapolis Pwr & Lt	3.8	812	31.1	15.4	377	41.2
Columbus & So Ohio	3.8	814	–8.1	18.0	240	25.0
N Y State Elec & Gas	3.7	815	13.5	13.9	477	21.7
Alterman Foods	3.6	816	105.2	13.0	552	37.7
Gas Service	3.6	817	45.2	13.8	491	26.5
Long Island Lighting	3.6	818	–2.3	14.9	415	21.3
Seaboard Coast Line	3.6	819	38.9	10.9	726	21.3
American Petrofina	3.6	820	120.0	21.0	139	31.4
Central Soya	3.5	821	29.2	14.2	460	18.2
Hiram Walker	3.5	821	54.0	3.9	998	22.1
CFS Continental	3.5	823	57.3	20.2	160	28.4
Federal Paper Board	3.5	824	–58.9	10.5	751	3.5
Niagara Mohawk Power	3.4	825	16.2	13.1	540	19.1
United States Steel	3.4	826	33.3	10.0	786	31.8
Kansas Power & Light	3.4	827	–1.3	18.3	228	21.6
Pacific Pwr & Lt	3.3	828	–0.1	19.9	175	47.1
Liggett Group	3.3	829	87.5	4.6	985	13.7
Lane Bryant	3.2	830	–2.3	4.6	984	10.3
Reichhold Chemicals	3.2	830	–43.4	19.0	201	25.2
Greyhound	3.1	832	50.3	6.1	959	17.2
Wickes	3.1	833	39.8	12.8	574	32.7
Continental Tel	3.0	834	18.0	9.8	795	41.3
First Natl Boston	3.0	835	56.0	14.6	435	64.1
Amerace	3.0	836	32.3	7.2	920	19.6
Robertshaw Controls	2.9	837	9.0	9.4	819	16.4
Union Electric	2.9	837	–4.7	15.0	402	17.9
Gillette	2.9	839	31.2	12.1	642	19.9
Allied Chemical	2.8	840	P-D	13.6	507	32.2
So Carolina E & G	2.8	841	–14.4	17.2	287	22.7
Purolator	2.8%	842	55.4%	10.7%	734	26.0%
Phillips-Van Heusen	2.7	843	126.7	2.8	1006	8.6
Chase Manhattan Corp	2.6	844	91.9	14.4	450	56.6
Royal Crown Cos	2.5	845	–49.7	14.9	414	21.5
Equifax	2.4	846	8.0	7.2	918	19.0
Brunswick	2.4	847	5.8	10.7	735	23.1
Cleveland Elec Illum	2.3	848	–5.5	15.1	393	25.0
Consolidated Foods	2.3	848	22.9	12.3	620	62.2
Public Svc Elec & Gas	2.2	850	5.4	14.5	438	15.6
Frederick & Herrud	2.1	851	61.8	23.2	88	38.3
Kuhn's-Big K Stores	2.1	852	–58.6	21.2	132	12.3
Utah Power & Light	2.1	853	–2.8	23.3	86	52.5
Knudsen	2.0	854	135.6	13.1	543	28.2
Pay Less Drug (Cal)	2.0	855	10.9	12.5	598	6.6
Middle South Utils	2.0	856	11.0	17.7	247	22.5
Allegheny Power	1.9	857	0.7	17.2	285	22.5
Baltimore Gas & Elec	1.9	858	12.5	13.5	515	21.2
Kansas City Pwr & Lt	1.9	859	0.3	14.2	461	29.5
First Wisconsin Corp	1.9	860	51.5	8.9	846	41.5
Intl Tel & Tel	1.9	860	–31.2	9.3	822	24.0
Cincinnati G & E	1.8	862	11.6	14.9	417	19.7
Northwestern Steel	1.8	863	91.0	10.2	776	65.7
Potomac Elec Power	1.6	864	–3.8	15.9	357	14.1
Pacific Gas & Elec	1.3	865	23.6	18.0	243	26.3
Goodyear	1.2	866	–10.7	10.0	783	23.5
Burlington Inds	1.2	867	–13.2	3.7	1001	13.2
Bankers Trust NY	1.2	868	60.5	12.1	637	53.8
Fuqua Industries	1.1	869	132.1	20.0	169	112.5
Illinois Power	1.1	870	1.1	15.6	371	28.1
Central Ill Pub Svc	1.0	871	25.1	17.6	257	23.5
Williams Companies	1.0	871	–10.9	16.5	323	38.8
Graniteville	1.0	873	–87.9	11.0	718	–0.4
Western Union	0.9	874	P-D	7.6	903	14.9
Kentucky Utilities	0.9	875	29.0	18.6	214	23.6
Amfac	0.8	876	125.0	12.4	613	22.0
Toledo Edison	0.7	877	–0.7	18.6	216	28.0
Gulf States Utils	0.7	878	–1.4	17.6	258	39.2
Louisville Gas & Elec	0.7	878	–9.4	13.1	542	27.6
Texasgulf	0.6	880	86.3	10.8	730	41.8
Associated Dry Goods	0.6	881	9.2	7.8	895	13.3
General Public Utils	0.5	882	–18.6	14.7	424	17.9
Morton-Norwich	0.5	883	126.3	10.2	778	23.7
Coca-Cola Bottling NY	0.5	884	0.0	12.8	571	48.2
Commonwealth Edison	0.4	885	–4.2	13.5	510	24.1
Chic Pneumatic Tool	–0.1	886	110.8	10.8	729	36.4
Northeast Utilities	–0.1	887	1.2	10.2	772	15.6
Gamble-Skogmo	–0.1	888	37.8	5.1	976	17.9
Fairmont Foods	–0.3	889	10.3	6.7	935	5.0
Oklahoma Gas & Elec	–0.3	889	–34.5	19.3	196	22.6
Detroit Edison	–0.3	891	9.0	15.4	380	17.7
American Elec Power	–0.3	892	–8.5	18.5	222	29.0
Hoover Co	–0.4	893	120.9	7.4	913	22.1
Outboard Marine	–0.5	894	–36.4	9.5	816	16.1
Commercial Metals	–0.5	895	420.1	15.2	392	95.2
Delmarva Power & Lt	–0.5	896	11.4	14.8	422	22.5
Va Electric & Power	–0.5	897	–8.9	20.5	155	20.2
Tappan	–0.5	898	251.5	6.1	958	5.0
National Steel	–0.6	899	65.1	12.0	647	33.7
G D Searle	–0.6	900	133.2	17.4	271	18.9
Chic & North Western	–0.6	901	P-D	9.1	839	22.2
Saxon Industries	–0.7	902	43.4	8.9	848	22.1
Southern Company	–0.7	903	–19.7	19.7	179	16.7
Philips Industries	–0.7	904	39.4	4.4	992	9.2
San Diego Gas & Elec	–0.7	905	–24.5	20.5	157	34.1
Marshall Field	–0.8	906	12.2	7.6	902	32.0

*The average return may be for less than a 5-year period as footnoted in individual Yardsticks tables.

†Latest 12 months. P-D Profit to deficit.

Who's Where In Growth

Corresponding Annual Change in GNP Price Deflator: 7.1%

	Earnings Per Share			Sales		
Company	5-year* average	rank	79† vs 1976-78	5-year* average	rank	79† vs 1976-78
Phila Electric	–0.8%	907	1.9%	13.4%	526	9.8%
No Indiana Pub Svc	–0.9	908	–7.6	17.3	282	41.5
Dayton Power & Light	–1.0	909	6.2	15.2	389	22.7
Southeast Banking	–1.0	910	82.9	17.3	277	39.7
Washington Gas Light	–1.0	911	–44.0	13.4	526	9.6
Alexander & Baldwin	–1.1	912	35.8	8.2	883	3.3
Ohio Edison	–1.3	913	–11.7	16.3	331	26.1
Public Service Colo	–1.4	914	–19.1	18.0	242	39.8
Kane-Miller	–1.6	915	–80.0	11.3	693	–24.7
Sperry & Hutchinson	–1.7	916	28.0	4.0	997	17.4
AMF	–1.8	917	19.1	7.2	919	15.6
Texaco	–2.0	918	67.0	20.0	171	26.1
Pabst Brewing	–2.2	919	–50.0	10.1	780	4.8
El Paso Company	–2.3	920	164.0	11.8	652	63.7
GATX	–2.4	921	132.5	9.5	817	41.1
Mohasco	–2.6	922	–44.9	8.7	858	10.2
Portland Genl Elec	–2.6	923	–9.9	17.4	272	28.8
Kellwood	–2.7	924	P-D	8.3	874	14.1
Fisher Foods	–2.8	925	P-D	15.1	395	–7.4
Boston Edison	–2.8	926	36.0	13.8	482	13.3
Dynalectron	–3.1	927	–11.8	20.6	153	25.9
G C Murphy	–3.5	928	–25.4	8.3	875	13.2
Rohm & Haas	–3.7	929	211.1	12.1	640	32.2
Central Illinois Lt	–3.8	930	35.0	19.4	190	30.3
Duquesne Light	–4.2	931	–9.8	16.7	307	23.0
Avondale Mills	–4.6	932	–54.8	8.2	883	9.2
Scovill	–4.8	933	13.7	4.4	990	34.4
Wylain	–4.8	934	7.4	12.9	562	20.7
J Weingarten	–5.0	935	124.2	9.6	809	19.1
Questor	–6.1	936	3.3	6.2	956	2.7
Ceco	–6.5	937	235.3	5.3	973	39.1
Allied Van Lines	–7.3	938	P-D	10.2	778	23.3
Newmont Mining	–7.5	939	375.6	14.0	469	30.4
Keystone Consolidated	–7.6	940	P-D	8.4	872	22.4
ASARCO	–7.6	941	928.6	5.1	975	42.4
Skyline	–7.8	942	4.7	1.5	1015	31.0
U S Industries	–8.3	943	52.9	–2.0	1022	–3.0
Jonathan Logan	–8.4	944	–47.6	4.1	996	7.0
Sambo's Restaurants	–8.6	945	P-D	31.7	45	20.6
Inco Ltd	–8.9	946	–47.8	12.4	609	12.2
Pamida	–9.1	947	P-D	16.6	315	12.1
Zenith Radio	–9.3	948	12.5	4.5	988	5.8
IU International	–9.3	949	–80.0	11.8	659	23.3
Ramada Inns	–9.4	950	54.8	14.6	435	21.6
First Penna Corp	–9.7	951	–21.9	11.3	695	50.5
Tesoro Petroleum	–10.2	952	D-P	40.2	15	105.9
American Motors	–10.8	953	D-P	10.9	722	31.0
GAF	–10.9	954	D-P	6.2	955	13.9
Bethlehem Steel	–11.3	955	D-P	9.2	828	25.5
Sherwin-Williams	–12.5	956	145.6	9.8	796	14.3
Jos Schlitz Brewing	–12.5	957	P-D	8.4	870	–6.2
Fed-Mart	–12.7	958	P-D	19.4	188	71.4
AM International	–12.8	959	–72.6	6.8	933	26.6
Marine Midland Banks	–12.9	960	83.8	6.3	952	54.4
Shopwell	–13.6	961	114.8	8.1	887	25.1
Akzona	–14.6	962	116.8	6.9	930	19.9
Citizens & Southern NB	–15.0	963	231.1	7.8	895	27.3
National Airlines	–15.1	964	P-D	7.7	900	38.4
Culbro	–15.2	965	P-D	7.9	892	6.3
First Natl Supermkts	–15.9	966	–17.8	43.2	11	109.6
Phelps Dodge	–16.3	967	179.8	3.0	1006	25.0
Wheeling-Pitts Steel	–18.0	968	D-P	8.2	881	23.0
Munford	–19.8	969	586.7	11.9	651	–9.9
Uniroyal	–20.7	970	P-D	5.9	963	7.1
General Refractories	–22.0	971	D-P	12.1	639	32.8

	Earnings Per Share			Sales		
Company	5-year* average	rank	79† vs 1976-78	5-year* average	rank	79† vs 1976-78
Allied Products	–22.2%	972	524.2%	4.9%	982	14.8%
Vornado	–22.4	973	204.7	0.6	1017	–20.3
Firestone	–26.2	974	P-D	9.2	831	19.6
Fidelcor	–26.7	975	P-D	7.4	909	15.1
Kennecott Copper	–27.0	976	90.8	8.2	879	83.6
Goldblatt Brothers	–47.0	977	P-D	3.8	1000	5.4
Warnaco	–63.4	978	D-P	7.1	925	13.4
Bell & Howell	P-D	979	P-D	5.8	964	10.4
Champion Home	P-D	979	D-D	3.6	1002	–12.5
Chrysler	P-D	979	P-D	8.2	882	–15.5
Commonwealth Oil Rfg	P-D	979	D-P	15.8	362	15.0
Fedders	P-D	979	D-D	–4.2	1027	–30.8
GEICO	P-D	979	223.1	6.7	939	17.5
General Host	P-D	979	D-P	4.4	989	15.7
Intl Foodservice	P-D	979	D-D	5.8	968	–5.7
M Lowenstein	P-D	979	–64.8	2.9	1007	10.9
Massey-Ferguson	P-D	979	D-D	16.9	299	7.1
National Kinney	P-D	979	D-D	–3.6	1025	14.9
Penn-Dixie Inds	P-D	979	D-P	3.8	999	25.4
Pueblo International	P-D	979	D-P	–3.8	1026	–20.3
Rath Packing	P-D	979	D-D	2.5	1011	–12.4
Rohr Industries	P-D	979	D-P	1.7	1014	17.7
Scot Lad Foods	P-D	979	D-P	6.5	941	3.0
Singer	P-D	979	P-D	–0.1	1018	12.1
United Merch & Mfrs	P-D	979	D-P	–0.9	1020	–11.1
White Motor	P-D	979	115.1	3.1	1005	0.4
Allied Supermarkets	D-D	998	D-D	–3.1	1024	–29.0
Arden Group	D-D	998	D-P	–5.7	1029	5.1
Chicago Rock Island	D-D	998	D-D	2.2	1013	–3.4
City Stores	D-D	998	D-D	–1.4	1021	–6.0
Genesco	D-D	998	D-P	–4.4	1028	–12.1
Great Atl & Pac Tea	D-D	998	D-D	2.7	1009	–2.7
National Tea	D-D	998	D-P	–6.3	1030	18.9
Seatrain Lines	D-D	998	P-D	17.3	284	82.0
Ward Foods	D-D	998	D-P	–2.9	1023	–6.2
American Airlines	D-P		2.8	11.5	679	30.9
American Bakeries	D-P		–28.7	6.7	934	9.7
American Standard	D-P		57.8	4.5	987	25.2
Ampex	D-P		120.7	1.2	1016	43.4
Avco	D-P		8.6	5.5	970	22.0
Bangor Punta	D-P		55.6	11.6	667	56.9
Boise Cascade	D-P		56.1	8.3	876	22.8
Bormans	D-P		91.9	10.3	766	23.0
CNA Financial	D-P		110.9	6.4	949	16.9
Columbia Pictures	D-P		–1.8	13.5	514	41.5
Computer Sciences	D-P		31.3	16.4	326	37.1
Eastern Air Lines	D-P		–31.6	12.1	642	30.2
Foodarama Supermkts	D-P		–21.0	4.1	995	11.7
Grumman	D-P		–43.8	9.2	832	–6.8
Hartfield-Zodys	D-P		74.2	5.0	978	28.1
Lockheed	D-P		–40.7	4.7	983	20.7
LTV	D-P		D-P	6.2	957	54.2
Mattel	D-P		8.5	7.3	915	33.0
Memorex	D-P		3.3	27.1	65	52.8
Pan Am World Airways	D-P		–19.6	8.3	877	24.0
Subaru of America	D-P		95.8	44.5	10	89.9
Todd Shipyards	D-P		339.6	12.8	572	60.1
Trans World	D-P		–55.3	15.7	369	24.5
Twentieth Century-Fox	D-P		27.7	17.1	293	29.7
United Brands	D-P		118.7	9.1	835	43.6
Amdahl	**		–1.6	**		56.9
DPF	**		**	**		**
Food Fair	**		**	**		**
Toys "R" Us	**		**	**		**

*The average return may be for less than a 5-year period as footnoted in individual Yardsticks tables.

†Latest 12 months. P—D Profit to deficit. D-P Deficit to profit; not ranked. D-D Deficit to deficit. **Not available; not ranked.

Happiness is a five-year data base that starts in a bear market. If you'd bought these stocks, you'd have made money on nine out of ten.

Who's Where in the Stock Market

Last year the Forbes Stock Market Report showed you would have lost money in one out of every three of the 1,004 stocks ranked if you'd bought them late in 1973 and held them for five years. This year you'd have *made* money on nine out of ten of the 1,031 stocks ranked below. That's what happens when you start in the bear market of 1974 instead of the bull market of 1973. What does it all prove? That it's better to buy at the bottom of the market than at the top. If that's not very useful advice, there is this consolation: The figures do tend to prove that stocks aren't *always* a poor investment. Taken from the low point of late 1974, seven out of ten of these stocks equaled or exceeded the 45% increase in the cost of living over the five-year period. Nearly half doubled, one out of four tripled and about 16%—or 169 companies—quadrupled or did even better. Sometimes much better.

The big winners included familiar names from the old glamour days, like Litton Industries, Columbia Pictures and Teledyne. There are some new faces, too, like Savin, Wang Laboratories, Bally Industries and Subaru of America.

Note: The biggest winners were not the biggest companies: Among the 250 best performers there's not one with a market value of more than $3 billion; and the biggest U.S. company in market value, $36.7 billion AT&T, ranks 852nd in market performance.

The losers? Steel companies, utilities, rubber companies, four big breweries—Anheuser-Busch, Pabst, Schlitz and Coors—plus some nonrenascent former glamour stocks like Kerr-McGee, LTV and Eastman Kodak (which lost more than $2 billion in market value over the five-year period).

Overall—again, if you had bought all 1,035 and held them all, winners and losers—the average increase would have been 175%. Compare this "index" of big public companies to the Dow Jones industrial average. From the last trading day of 1974 through the day before Thanksgiving, 1979—the measuring period of the Forbes Stock Market Report—the DJI's 30 blue-chips increased in value by only 31%. Further evidence that the DJI is no longer "the market," if it ever was: The Wilshire 5,000, which is neither an average nor an index but the total market value of 5,000 stocks, increased from $567.7 billion to $1.02 trillion over the same period—or 79%, more than twice as much as the Dow. The stock market, in short, has not been as dead as some people would have you believe. ■

Who's Where in the Stock Market

Five-Year Change in Consumer Price Index: 45.0%

Rank		Company	5-year price change	1975-79 price range	recent price	shares outstanding (millions)	total market value (millions)	latest 12-month earnings per share	price/earnings ratio	indicated annual dividend	current yield
79	78										
1	7	Best Products	2,542.9%	34⅛– ⅞	23⅛	9.7	$223	$3.05	8	$0.24	1.0%
2	1	Service Merchandise	2,125.7	23½– ⅜	12⅜	12.7	157	1.77	7	0.14	1.1
3	*	Wang Laboratories	2,022.6	30⅝– 1⅜	28⅛	25.2	708	1.27	22	0.06	0.2
4	24	Humana	1,812.3	36⅞– 1⅞	34	13.8	471	2.63	13	0.75	2.2
5	2	Farm House Foods	1,721.2	6⅞– 1½	5½	3.8	21	1.05	5	none	0.0
6	8	Teledyne	1,571.7	154½– 7⅛	131⅜	13.8	1,808	27.15	5	none	0.0
7	*	Savin	1,457.1	25 – ⅞	13⅜	6.4	87	5.25	3	0.70	5.1
8	*	Bally Manufacturing	1,431.1	48⅝– 2⅛	33½	25.2	843	1.46	23	0.10	0.3
9	181	Marathon Mfg	1,417.9	44⅛– 2⅞	42½	7.1	308	4.70	9	0.80	1.9
10	3	Memorex	1,216.7	60¾– 1½	19⅜	7.0	139	5.26	4	none	0.0
11	64	Litton Industries	1,192.8	36½– 3	35⅞	36.4	1,307	4.77	8	1.00	2.8
12	17	Metromedia	1,151.2	73 – 5⅛	67⅛	4.6	306	8.23	8	3.20	4.8
13	*	Subaru of America	1,150.0	10⅝– ⅛	9⅜	6.0	56	1.54	6	0.20	2.1
14	11	Bruno's	1,099.7	15⅛– 1⅛	13⅛	4.2	56	1.64	8	0.50	3.8
15	10	Columbia Pictures	1,094.7	31 – 2⅜	28⅜	9.6	272	3.76	8	0.50	1.8
16	194	Congoleum	1,062.5	35⅛– 3	34⅞	11.8	411	4.29	8	1.00	2.9
17	63	Amer Medical Intl	1,061.4	29⅛– 2½	28½	9.2	261	2.58	11	0.80	2.8
18	*	Storage Technology	1,055.6	23⅜– 1⅛	15	24.5	367	1.53	10	none	0.0
19	22	Whittaker	1,018.2	18⅜– 1⅜	15⅜	13.5	208	2.97	5	0.50	3.3
20	59	Avco	1,008.5	35 – 2⅜	26⅜	16.9	445	7.76	3	1.20	4.5
21	13	Morse Shoe	986.1	20⅛– 1⅛	13⅜	5.2	71	3.01	5	0.72	5.2
22	6	Modern Merchandising	980.0	19⅜– 1⅛	13½	8.1	109	1.80	8	0.20	1.5
23	78	Reliance Group	963.2	55⅜– 4⅛	50½	7.8	396	9.30	5	2.00	4.0
24	20	Fairchild Industries	942.9	36⅜– 3½	36½	6.2	226	5.74	6	1.20	3.3
25	2[illegible]	Hilton Hotels	926.1	35⅜– 2⅞	29½	25.5	753	3.58	8	1.36	4.6
26	36	Bangor Punta	916.7	31⅜– 2⅛	22⅞	4.6	106	5.95	4	0.80	3.5
27	31	Computer Sciences	884.6	17⅜– 1⅛	16	13.0	209	1.26	13	none	0.0
28	*	Gates Learjet	880.7	27 – 3	27⅜	5.2	144	2.46	11	0.40	1.4
29	373	Charter Company	879.5	50 – 2⅛	35⅜	19.4	693	9.83	4	0.60	1.7
30	*	VSI	843.8	37⅜– 4⅛	37⅜	6.1	230	3.74	10	0.60	1.6
31	45	Levi Strauss	825.6	69 – 6½	60⅜	20.7	1,260	8.42	7	2.20	3.6
32	34	Beech Aircraft	798.6	42 – 4⅜	41⅛	11.9	498	3.41	12	1.00	2.4
33	27	E-Systems	795.4	33⅛– 3½	31	5.8	181	2.56	12	1.00	3.2
34	*	Nucor	792.4	35⅛– 3⅜	32⅛	6.7	217	5.58	6	0.36	1.1
35	32	United Energy Resources	790.7	60½– 6⅜	60⅛	12.9	774	8.34	7	2.48	4.1
36	14	SCOA Industries	781.6	27⅛– 2½	21⅜	6.3	137	3.52	6	1.08	5.0
37	360	Parsons	778.3	30⅝– 3⅛	28⅜	8.0	228	2.87	10	1.00	3.5
38	46	Hartfield-Zodys	766.3	13 – ⅞	7⅞	3.7	29	1.98	4	0.40	5.1
39	5	Boeing	747.6	52⅞– 5	44½	64.1	2,853	7.31	6	2.40	5.4
40	*	Shearson Hayden Stone	745.7	18½– 1⅞	15⅜	4.7	73	4.09	4	0.48	3.1
41	273	Intel	743.8	69 – 7½	67½	20.4	1,380	3.20	21	none	0.0
42	39	Harris Corp	740.3	36½– 3⅜	31¼	26.2	819	2.53	12	0.72	2.3
43	951	Tosco	733.3	26 – 2	18¾	20.6	386	2.98	6	none	0.0
44	40	NVF	711.2	11½– 1¼	10⅜	31.9	331	1.87	6	none	0.0
45	163	General Instrument	707.6	47½– 4¾	39	8.7	341	4.93	8	0.80	2.1
46	97	ConAgra	693.3	19½– 2⅛	17	5.8	99	3.34	5	1.16	6.8
47	237	Evans Products	690.9	25⅞– 2⅞	21⅜	12.3	268	4.44	5	1.70	7.8
48	*	G Heileman Brewing	685.3	29⅝– 2⅞	24	8.7	208	2.90	8	0.73	3.0
49	28	Twentieth Century-Fox	669.1	46⅛– 5⅛	40⅜	7.8	315	6.46	6	2.40	5.9
50	440	Reserve Oil & Gas	661.8	32⅜– 4⅜	32⅜	13.2	428	2.23	15	0.30	0.9
51	341	Transco Companies	658.5	39⅞– 5⅜	38⅞	23.1	900	2.57	15	1.24	3.2
52	*	Natl Convenience Strs	656.0	14⅜– 1½	14⅛	4.0	57	1.67	9	0.50	3.5
53	171	Bunker-Ramo	642.3	29⅞– 3⅛	24⅛	5.7	137	3.79	6	0.84	3.5
54	*	RLC Corp	640.8	13⅜– 1⅛	9⅞	11.8	116	2.28	4	0.48	4.9
55	21	Lockheed	637.9	37⅞– 3⅜	26¾	11.7	314	2.18	12	none	0.0
56	153	Bluebird	633.3	14 – 1⅜	13⅜	4.8	66	2.01	7	0.28	2.0
57	116	Hospital Corp of Am	629.2	40⅛– 5⅛	39⅜	17.2	677	2.91	14	0.50	1.3
58	57	Ampex	620.0	19⅞– 2⅜	18	11.0	199	1.92	9	0.20	1.1
59	661	United Refining	614.8	32⅜– 4	28	2.4	67	6.54	4	0.80	2.9
60	681	Foster Wheeler	604.5	26⅜– 3⅛	25⅜	16.8	425	2.84	9	0.68	2.7

*Not ranked last year.

def deficit.

Who's Where in the Stock Market

Five-Year Change in Consumer Price Index: 45.0%

Rank 79	Rank 78	Company	5-year price change	1975-79 price range	recent price	shares outstanding (millions)	total market value (millions)	latest 12-month earnings per share	price/ earnings ratio	indicated annual dividend	current yield
61	275	**Reliance Electric**	588.9%	70⅝–10¼	69⅝	15.8	$1,104	$ 4.94	14	$1.60	2.3%
62	*	**Waste Management**	581.8	39⅝– 4	37½	11.7	440	2.94	13	0.70	1.9
63	4	**MGM**	581.5	25⅞– 2½	17⅞	32.1	574	1.90	9	0.60	3.4
64	18	**Pneumo Corp**	577.1	34¼– 4¼	29⅝	2.9	85	2.77	11	1.00	3.4
65	42	**Warner Communications**	572.3	45⅝– 6¼	44¼	18.4	813	5.17	9	1.00	2.3
66	246	**Republic Natl Life**	571.4	25 – 2⅝	17⅞	9.4	166	1.80	10	0.60	3.4
67	68	**Johnson Controls**	556.3	34½– 4	26¼	13.0	340	3.58	7	1.20	4.6
68	54	**Parker Pen**	552.3	17¾– 2⅜	15⅜	16.8	258	2.01	8	0.36	2.3
69	*	**Interpublic Group**	551.1	40 – 4⅝	30¼	4.4	135	4.82	6	1.60	5.2
70	74	**Wal-Mart Stores**	550.0	34½– 4⅝	30⅞	15.1	466	2.34	13	0.30	1.0
71	61	**General Dynamics**	547.7	49⅞– 7⅝	49⅞	26.7	1,333	6.51	8	1.20	2.4
72	87	**Beckman Instruments**	546.7	29⅝– 4½	28½	19.5	555	1.74	16	0.32	1.1
73	67	**Calder**	542.3	20 – 2⅞	19¼	8.3	159	2.21	9	0.50	2.6
74	55	**American Standard**	538.8	58¼– 8¼	53½	13.7	735	8.83	6	3.60	6.7
75	345	**Centex**	535.1	31¼– 5	29⅝	11.6	340	2.71	11	0.25	0.9
76	37	**Entex**	531.3	18⅞– 2½	15¼	21.0	318	1.99	8	0.80	5.3
77	248	**Crown Central Petroleum**	531.2	47⅛– 5⅝	40	4.0	162	15.78	3	0.80	2.0
78	235	**Petrolane**	522.9	27½– 4⅜	27¼	24.9	680	2.40	11	0.64	2.3
79	220	**National Airlines**	521.3	50 – 7⅜	47⅝	8.6	406	–0.29	def	0.50	1.1
80	44	**Del E Webb**	511.8	38 – 2⅛	13	9.5	124	1.07	12	0.20	1.5
81	190	**Tektronix**	505.1	61½– 9	59	18.1	1,070	4.51	13	0.84	1.4
82	53	**Gelco**	495.5	37¾– 5¼	32¼	6.7	221	3.40	10	1.00	3.1
83	147	**Belco Petroleum**	489.8	47¾– 7⅛	43¼	11.4	495	5.74	8	1.00	2.3
84	89	**General Cinema**	483.0	25⅛– 3⅜	21½	11.0	236	2.50	9	0.68	3.2
85	*	**Toro**	477.4	29⅝– 3⅝	22⅝	5.5	124	3.35	7	0.88	3.9
86	50	**Super Valu Stores**	476.2	22⅝– 3⅛	21¼	18.1	385	2.32	9	0.66	3.1
87	60	**Lear Siegler**	471.4	24 – 3½	20	14.7	295	4.59	4	1.04	5.2
88	111	**Vornado**	466.7	29⅝– 3⅜	21¼	5.3	113	0.77	28	0.60	2.8
89	290	**Norlin**	464.8	12¾– 1⅞	10½	2.4	25	3.00	4	0.60	5.7
90	825	**Ryder System**	462.5	29½– 3½	21⅞	16.1	352	3.69	6	1.00	4.6
91	49	**Dayton-Hudson**	458.6	44⅞– 6½	40½	23.7	960	7.01	6	1.80	4.4
92	268	**U S Home**	457.9	16⅝– 2⅝	13¼	10.9	144	3.70	4	0.52	3.9
93	286	**Coastal States Gas**	453.2	32¾– 5⅜	32½	19.0	618	5.09	6	0.40	1.2
94	296	**Sundstrand**	451.0	36¼– 6⅛	33¾	16.0	542	3.73	9	1.20	3.6
95	136	**Pay Less Drug NW**	449.9	26 – 4⅛	22⅞	4.4	101	2.37	10	0.60	2.6
96	179	**Cabot**	446.0	50 – 7⅞	43	10.3	444	6.83	6	1.60	3.7
97	*	**Republic Finl Svcs**	443.2	25⅝– 4⅛	22¾	7.0	160	3.35	7	1.00	4.4
98	70	**Allis-Chalmers**	442.3	38⅝– 6⅞	35¼	12.1	427	6.27	6	1.80	5.1
99	193	**Cincinnati Milacron**	440.1	25½– 4⅛	23⅛	14.9	345	3.36	7	0.80	3.5
100	41	**Iowa Beef Processors**	438.7	26⅞– 4⅛	22	9.5	208	3.92	6	0.52	2.4
101	85	**Cullum Companies**	437.0	24 – 3⅜	18	2.8	50	3.52	5	1.00	5.6
102	181	**Cooper Industries**	435.4	64¼–11⅞	63¼	14.8	936	6.81	9	1.84	2.9
103	749	**Dynalectron**	433.3	15¾– 1⅞	10	6.9	69	0.15	67	none	0.0
103	51	**Wyman-Gordon**	433.3	40½– 4½	24	9.0	216	2.32	10	1.00	4.2
105	284	**Hanover Insurance**	432.6	35¾– 4⅛	30⅝	3.4	103	8.38	4	0.52	1.7
106	541	**Murphy Oil**	426.2	90½–15½	85½	12.4	1,062	6.68	13	1.00	1.2
107	191	**Signal Companies**	422.2	38⅞– 6⅞	36⅛	38.3	1,385	5.23	7	1.00	2.8
108	509	**Rite Aid**	420.0	26¼– 4⅛	22¾	10.5	239	2.84	8	0.65	2.9
109	43	**Ruddick**	418.2	10⅛– 1⅜	7⅛	2.3	17	1.67	4	0.42	5.9
110	189	**Avnet**	411.8	26⅝– 4⅜	21¾	15.0	327	3.87	6	0.80	3.7
111	58	**SmithKline Corp**	405.7	58¾–10⅞	58	60.7	3,521	3.62	16	1.44	2.5
112	209	**Flintkote**	402.1	53½–10½	52	7.1	368	7.68	7	1.55	3.0
113	244	**Supermarkets General**	395.8	19⅝– 3	14⅞	8.1	120	2.93	5	0.48	3.2
114	344	**Macmillan**	392.9	21⅝– 3⅜	17⅛	12.5	216	1.84	9	0.72	4.2
115	33	**Washington Post**	390.4	26¾– 4½	21	15.5	325	3.01	7	0.36	1.7
116	38	**Tyler**	386.5	19¼– 3⅝	16⅞	9.9	168	2.30	7	0.45	2.7
117	*	**Baldwin-United**	385.7	40½– 6¼	29⅝	8.4	249	4.87	6	1.20	4.0
118	*	**PennCorp Financial**	383.3	11⅛– ⅞	7¼	18.2	132	1.63	4	0.16	2.2
119	607	**CNA Financial**	382.6	16 – 2⅝	13⅞	30.4	421	4.31	3	none	0.0
120	137	**Wallace-Murray**	380.0	27⅝– 5	23½	5.9	139	5.76	4	1.60	6.8
121	132	**Sun Chemical**	375.0	28⅛– 4⅝	23¾	4.4	103	5.24	5	0.60	2.5
122	*	**Parker Drilling**	374.8	37 – 5	36	12.9	463	2.79	13	0.24	0.7
123	754	**Howard Johnson**	369.4	23¾– 4½	21⅛	22.1	467	1.54	14	0.44	2.1
124	96	**Raytheon**	369.3	61¼–12⅝	59⅝	31.3	1,854	5.98	10	1.60	2.7
125	188	**Allen Group**	362.1	17¼– 3¼	15¼	4.1	63	2.70	6	1.00	6.6

*Not ranked last year.
def deficit.

Who's Where in the Stock Market

Five-Year Change in Consumer Price Index: 45.0%

Rank 79	Rank 78	Company	5-year price change	1975-79 price range	recent price	shares outstanding (millions)	total market value (millions)	latest 12-month earnings per share	price/earnings ratio	indicated annual dividend	current yield
126	29	Dean Foods	361.4%	28¾– 3⅝	16⅜	3.0	$ 50	$ 3.20	5	$0.80	4.8%
127	693	Control Data	360.0	51 –10⅝	48⅞	16.8	820	6.66	7	0.40	0.8
128	186	Sigmor	359.9	19½– 4⅛	18⅜	13.4	245	2.66	7	0.50	2.7
129	*	Brown-Forman Dist	357.5	40¼– 7⅝	34½	12.6	434	3.34	10	1.24	3.6
130	19	Northrop	355.5	49⅞– 7⅝	36⅛	14.2	516	6.69	5	1.80	5.0
131	*	American Family	353.7	15⅛– 2⅛	9⅝	11.6	113	2.41	4	0.60	6.2
132	66	Niagara Frontier Services	353.7	32⅜– 5⅛	23⅛	2.1	49	4.13	6	0.94	4.0
133	119	American Bakeries	350.1	19½– 3⅜	15	2.0	30	1.87	8	1.20	8.0
134	425	Fuqua Industries	350.0	15¼– 3⅛	14⅝	12.7	186	4.24	3	0.50	3.4
134	597	Koehring	350.0	27¾– 4⅝	20¼	3.0	60	4.23	5	1.10	5.4
134	93	Mattel	350.0	13⅛– 1½	7⅞	15.9	125	1.23	6	0.30	3.8
137	115	Dover Corp	348.1	30⅝– 6⅛	29⅜	17.8	519	3.06	10	0.86	3.0
138	26	MCA	344.0	55½–10⅝	47½	23.4	1,109	5.47	9	1.50	3.2
139	532	Tappan	343.8	17⅞– 4	17⅜	3.1	55	2.32	8	0.40	2.3
140	752	ERC	341.3	78½–13½	69⅛	5.5	379	8.74	8	1.40	2.0
141	71	Midland-Ross	340.0	27½– 5⅝	23⅜	11.6	271	3.44	7	1.30	5.6
142	69	Alco Standard	337.3	37¼– 7⅛	32¼	9.5	307	5.05	6	1.47	4.6
143	796	Cook United	337.1	10⅛– 1⅜	5⅝	5.9	33	0.76	7	0.15	2.7
144	338	Hyster	334.3	45½– 9⅛	39⅜	6.0	239	10.86	4	3.20	8.1
145	821	Fluor	333.3	52⅜–10	52	23.1	1,199	3.86	13	1.00	1.9
145	186	Key	333.3	16⅛– 2	13	2.8	36	2.10	6	0.60	4.6
147	109	Thiokol	330.0	46 – 9⅝	43	5.7	245	6.40	7	1.55	3.6
148	108	Blue Bell	328.6	31⅝– 6⅛	26⅛	12.5	329	5.36	5	1.60	6.1
149	75	Edison Bros Stores	325.2	35 – 5⅞	24⅛	11.4	282	4.20	6	1.32	5.4
150	243	Circle K	323.2	11½– 2⅛	11⅜	9.7	111	1.45	8	0.60	5.3
151	158	Amer Broadcasting	323.1	47⅝– 8⅛	37⅜	27.6	1,032	5.71	7	1.60	4.3
152	257	Kemper Corp	321.9	37½– 7⅝	33⅜	9.2	309	8.61	4	1.87	5.5
153	497	Business Men's Assur	321.1	32¼– 7⅝	30	6.0	179	4.69	6	1.20	4.0
154	72	McGraw-Hill	318.8	34 – 6	25⅛	24.6	618	2.99	8	1.28	5.1
155	408	NN Corp	317.9	38¾– 4⅞	29⅜	6.1	178	4.02	7	2.00	6.8
156	113	Blount	315.2	26 – 4½	17⅛	2.7	47	3.67	5	0.64	3.7
157	982	Warner & Swasey	314.8	58 –13⅝	56	3.5	195	7.13	8	1.80	3.2
158	364	Dan River	314.7	20 – 4⅛	17⅜	5.6	97	3.70	5	1,12	6.4
159	261	NCR	314.2	81½–14½	62⅞	26.7	1,656	8.44	7	1.60	2.6
160	142	Capital Cities Commun	311.1	49⅞–11	46⅛	13.4	619	4.35	11	0.20	0.4
161	149	Melville	309.8	33⅞– 6⅛	26⅛	25.0	653	3.73	7	1.40	5.4
162	92	Cone Mills	308.1	33⅜– 7⅞	31⅜	5.8	184	7.12	4	1.80	5.7
163	121	Bergen Brunswig	305.9	17⅞– 2¼	8⅝	3.0	26	1.57	5	0.24	2.8
164	299	Pioneer Corp	305.2	33⅛– 7⅞	32½	18.4	598	2.91	11	1.16	3.6
165	173	Ametek	304.9	42⅞–10⅝	41½	5.3	221	4.18	10	2.00	4.8
166	340	Amer Genl Insurance	302.8	38⅞– 9	36¼	26.9	975	6.45	6	1.00	2.8
167	199	Federal Co	302.7	46⅛– 9⅛	37⅛	4.1	151	6.98	5	2.40	6.4
168	120	McDonough	300.0	32¼– 6	24½	4.0	97	5.35	5	1.32	5.4
169	62	Amsted Industries	300.0	45 – 8⅜	35⅛	10.8	380	5.88	6	2.20	6.2
170	224	Northwest Energy	298.2	27½– 6⅞	26⅞	10.4	280	4.27	6	1.30	4.8
171	502	Varian Associates	296.2	27⅞– 6½	26¼	7.4	195	1.15	23	0.40	1.5
172	162	Dennison Mfg	294.6	21⅜– 4⅞	18½	8.9	165	2.76	7	1.00	5.4
173	81	American Stores	291.5	34½– 6⅞	26⅜	10.0	267	3.92	7	0.80	3.0
174	283	Texas Oil & Gas	291.1	30 – 5⅛	29⅝	43.2	1,274	2.25	13	0.24	0.8
175	*	Fisher Scientific	289.2	23 – 4⅜	18	3.8	69	2.95	6	0.52	2.9
176	51	Consolidated Papers	287.8	64⅛–14⅜	55⅜	5.3	297	10.12	6	3.60	6.5
177	762	Clark Oil & Refining	286.2	32⅜– 7⅜	28	7.2	200	5.42	5	0.80	2.9
178	124	Dexter	285.4	25⅝– 5⅛	20⅞	9.2	191	2.67	8	1.00	4.8
179	154	AM International	285.2	32⅞– 3⅛	13	8.4	110	0.15	—	0.28	2.2
180	160	Allegheny Corp	284.9	34⅝– 6⅝	25½	9.1	233	4.41	6	1.11	4.4
181	337	Alterman Foods	284.6	25½– 6½	25	1.4	34	3.29	8	0.50	2.0
182	214	Loews	284.2	69⅜–14½	57⅞	11.2	646	14.50	4	1.20	2.1
183	12	Moore McCormack Res	284.0	39¾– 9⅛	36	5.7	205	7.00	5	1.12	3.1
184	422	City Investing	283.8	22 – 4⅜	17⅜	22.5	400	4.96	4	1.20	6.8
185	*	Zurn Industries	282.9	19⅛– 4⅛	16⅜	5.4	91	2.71	6	0.80	4.8
186	*	Rainier Bancorp	282.1	30¼– 6⅞	26⅜	8.8	234	4.15	6	1.08	4.0
187	73	Meredith	282.1	40⅝– 8⅜	32	3.1	100	5.57	6	1.20	3.8
188	290	Carpenter Technology	281.1	35⅝– 7⅞	30⅛	8.6	259	4.89	6	1.90	6.3
189	146	Norris Industries	281.0	31⅛– 5⅜	20	9.8	195	3.78	5	1.40	7.0
190	406	Digital Equipment	280.5	66⅞–15⅛	64⅜	40.6	2,614	4.37	15	none	0.0

*Not ranked last year.

def Deficit.

Who's Where in the Stock Market

Five-Year Change in Consumer Price Index: 45.0%

Rank 79	Rank 78	Company	5-year price change	1975-79 price range	recent price	shares outstanding (millions)	total market value (millions)	latest 12-month earnings per share	price/earnings ratio	indicated annual dividend	current yield
191	212	R H Macy	277.6%	47¼– 12⅜	46¼	10.4	$ 482	$ 8.17	6	$1.85	4.0%
192	83	Cessna Aircraft	274.3	23⅜– 5⅝	20⅝	18.6	380	2.47	8	0.80	3.9
193	159	Sav-On-Drugs	273.9	15 – 3	10⅜	7.4	80	1.51	7	0.40	3.7
194	322	Smith International	273.5	70¼– 15⅛	68⅝	10.1	692	5.33	13	1.12	1.6
195	629	Superior Oil	270.6	134⅞– 29⅝	127½	20.0	2,556	7.59	17	0.72	0.6
196	386	Ramada Inns	268.4	17 – 2⅛	8¾	26.9	236	0.48	18	0.12	1.4
197	419	Stanley Works	268.3	34⅞– 8¼	31	12.0	372	4.24	7	1.24	4.0
198	177	Zayre	268.2	17⅞– 2⅛	10⅛	5.0	51	2.64	4	none	0.0
199	*	Dorsey	267.7	22½– 3⅝	14¼	2.9	42	3.12	5	0.75	5.3
200	143	Carson Pirie Scott	267.3	24 – 4⅝	17⅜	3.4	61	3.55	5	1.10	6.2
201	725	Honeywell	264.9	82⅞– 20⅞	76⅝	21.9	1,675	10.77	7	2.60	3.4
202	493	Levitz Furniture	264.3	34 – 7	25½	4.2	108	4.76	5	1.00	3.9
203	467	General Host	264.1	23¼– 4⅞	17⅜	3.0	53	2.71	7	0.70	3.9
204	929	National Kinney	263.6	6⅞– 1⅛	5	6.4	32	–0.44	def	none	0.0
205	240	Walter Kidde	263.5	39⅛– 9⅝	33⅝	9.8	330	7.48	4	1.80	5.4
206	227	Gordon Jewelry	262.3	28 – 6½	24	5.5	132	4.91	5	0.72	3.0
207	283	McDonnell Douglas	260.6	40½– 8⅝	29⅜	37.6	1,118	4.87	6	0.75	2.5
208	137	Seaboard Allied Milling	259.0	22½– 5	17⅛	1.5	26	5.39	3	0.40	2.3
209	82	Northwest Industries	258.7	37⅞– 9⅝	33⅜	29.9	1,004	5.36	6	2.05	6.1
210	*	Outlet	258.0	33⅜– 5⅝	18½	2.5	46	2.79	7	1.00	5.4
211	133	Dart Industries	257.1	49⅝– 11⅛	41¼	23.5	970	6.72	6	1.80	4.4
212	204	Paine Webber	255.0	13⅜– 2⅛	8⅞	5.4	48	2.24	4	0.44	5.0
213	250	Ashland Oil	254.6	45½– 11	39	29.4	1,146	15.55	3	2.20	5.6
214	178	Longview Fibre	253.8	380 –106	375	1.2	435	29.23	13	13.30	3.5
215	469	PACCAR	252.5	65 – 15½	53⅜	8.2	443	13.73	4	3.05	5.7
216	172	Federal Paper Board	251.6	31 – 7⅞	27¼	6.4	176	0.93	29	0.90	3.3
217	394	Southwest Forest Inds	251.5	24 – 4⅛	14⅛	7.8	113	3.69	4	0.40	2.8
218	350	Data General	250.9	74½– 8⅝	50	9.9	496	4.82	10	none	0.0
219	*	Dorchester Gas	250.9	26⅜– 5⅞	25⅞	8.9	231	2.84	9	0.20	0.8
220	659	Rapid-American	250.0	18¼– 3	17½	7.1	125	4.59	4	0.60	3.4
221	505	Morrison-Knudsen	248.6	35⅞– 8⅝	29⅝	4.2	124	5.65	5	1.50	5.0
222	911	Frederick & Herrud	248.4	9 – 2	7⅛	2.8	20	1.24	6	0.24	3.4
223	290	Fieldcrest Mills	248.3	37¼– 7⅛	26⅛	3.7	97	6.42	4	2.00	7.7
224	254	Ex-Cell-O	247.5	38 – 10	34⅜	10.2	354	5.19	7	1.90	5.5
225	260	C F Braun	245.1‡	56⅞– 13⅜	52⅝	5.1	266	3.31	16	0.80	1.5
226	225	Crouse-Hinds	244.4	22⅜– 5⅝	19⅜	11.9	230	2.21	9	0.92	4.7
227	116	E F Hutton Group	243.1	25⅝– 5¼	17⅛	6.6	115	4.52	4	0.80	4.6
228	*	Todd Shipyards	242.9	34½– 4⅞	24	1.5	36	5.89	4	none	0.0
229	449	Gulf United	241.2	27¼– 6¼	21⅛	22.2	482	2.30	9	1.00	4.6
230	678	U S Industries	240.0	10½– 2⅛	8½	24.8	210	1.85	5	0.76	8.9
231	274	Times Mirror	239.8	36⅞– 10⅛	35¼	33.9	1,195	4.62	8	1.44	4.1
232	123	Time Inc	235.7	50¼– 12⅝	41⅜	22.4	936	5.28	8	1.66	4.0
233	*	Knudsen	234.7	16 – 4⅛	13½	2.7	37	2.16	6	0.68	5.0
234	411	Di Giorgio	232.0	14⅞– 3⅝	10⅝	6.3	65	1.72	6	0.56	5.4
235	125	Harsco	230.0	36⅞– 9⅛	30	10.1	303	5.27	6	2.00	6.7
235	289	Peoples Drug Stores	230.0	16 – 3⅜	12⅝	3.7	45	1.70	7	0.24	1.9
237	112	Dana	228.1	32⅜– 7⅜	26¼	35.3	928	5.03	5	1.52	5.8
238	259	UV Industries	227.9	39½– 8⅛	27⅞	15.2	424	18.26	2	§	—
239	241	Knight-Ridder News	227.6	29⅝– 7⅛	23⅜	31.9	758	2.64	9	0.70	2.9
240	396	Stone Container	227.5	29⅝– 5⅞	19⅜	5.1	98	2.68	7	0.60	3.1
241	351	Waldbaum	224.6	14⅜– 3⅜	12¼	2.5	30	3.37	4	none	0.0
242	56	Chic & North Western	223.5	25¼– 3½	13⅜	4.4	61	–1.82	def	none	0.0
243	574	United Brands	223.1	15½– 3⅛	10½	11.0	115	1.83	6	0.20	1.9
244	448	Holiday Inns	221.4	32¾– 5⅛	16⅞	32.0	540	1.65	10	0.66	3.9
245	30	Athlone Industries	220.8	22⅛– 5⅜	19¼	2.9	55	4.11	5	1.20	6.2
246	161	Barnes Group	217.2	21⅝– 5⅞	18½	6.8	127	3.64	5	0.80	4.3
247	99	Universal Leaf	216.8	24½– 6⅝	20	9.0	181	2.79	7	1.20	6.0
248	383	Saxon Industries	216.7	8⅝– 2⅛	7⅛	7.7	55	0.98	7	none	0.0
249	714	Bausch & Lomb	214.6	35 – 10⅞	33⅜	11.6	391	3.23	10	1.00	3.0
250	352	EG&G	213.0	41½– 10	39⅜	6.6	257	3.03	13	0.80	2.0
251	148	Perini	212.5	15¼– 4	12½	3.4	42	1.61	8	0.40	3.2
252	251	Boise Cascade	211.9	40⅜– 10½	32⅜	27.0	884	6.41	5	1.50	4.6
253	520	Consolidated Edison	211.7	25⅞– 7⅛	23⅜	62.4	1,459	4.29	5	2.44	10.4
254	131	Abbott Laboratories	211.3	40⅜– 11⅝	39½	60.3	2,380	2.83	14	1.00	2.5
256	167	Allied Stores	211.1	29⅝– 7⅝	24½	20.4	500	4.39	6	1.60	6.5

*Not ranked last year. ‡Four-year price change.
def deficit. §In liquidation.

Who's Where in the Stock Market

Five-Year Change in Consumer Price Index: 45.0%

Rank		Company	5-year price change	1975-79 price range	recent price	shares outstanding (millions)	total market value (millions)	latest 12-month earnings per share	price/earnings ratio	indicated annual dividend	current yield
79	78										
256	151	Idle Wild Foods	209.4%	27 – 4	16½	1.8	$ 29	$ 3.72	4	$0.80	4.8%
257	462	Parker-Hannifin	208.6	32¾– 8⅞	26⅜	14.1	378	3.83	7	1.20	4.5
258	157	Flowers Industries	206.8	17 – 3⅜	11¼	6.0	67	1.71	7	0.46	4.1
259	126	Handy & Harman	205.9	31¼– 6¾	25⅞	6.8	176	2.03	13	0.70	2.7
260	965	Combustion Engineering	205.7	54 –17⅛	53½	16.4	875	5.57	10	2.40	4.5
261	285	H F Ahmanson	205.5	28¼– 6⅞	21	22.9	482	5.13	4	1.20	5.7
262	272	Manhattan Industries	204.6	12⅞– 1⅜	5⅝	2.7	16	2.08	3	0.30	5.2
263	280	Transamerica	204.4	20⅜– 6	17½	65.4	1,144	3.47	5	1.12	6.4
264	295	Bache Group	204.2	14⅝– 3	9⅛	7.9	72	1.40	7	0.65	7.1
265	649	Suburban Propane Gas	204.0	39 –11⅜	38	4.6	174	4.61	8	1.44	3.8
266	684	Natl Semiconductor	204.0	55⅝– 9¼	28⅞	13.2	381	2.85	10	none	0.0
267	197	GK Technologies	203.5	23⅛– 7¼	22	11.4	252	4.28	5	1.30	5.9
268	463	Phillips-Van Heusen	203.3	18 – 3⅜	11⅜	3.0	35	2.35	5	0.60	5.3
269	594	General Signal	203.2	37⅞–11⅞	36	23.6	849	3.41	11	1.28	3.6
270	804	Amerada Hess	202.6	48⅜–13¼	42⅛	35.1	1,477	9.48	4	1.40	3.3
271	*	Sonoco Products	202.5	36 – 9⅝	30	5.7	172	4.62	6	1.40	4.7
272	312	Tecumseh Products	202.4	72½–20½	62	5.5	339	10.22	6	5.70	9.2
273	141	Eagle-Picher Inds	201.6	25⅝– 6⅛	19⅞	9.9	196	3.01	7	0.88	4.4
274	35	Seatrain Lines	200.0	15⅝– 1⅜	5¼	14.4	76	–2.40	def	none	0.0
275	174	Wheelabrator-Frye	198.8	41 –10⅛	30⅝	10.9	335	3.68	8	1.20	3.9
276	185	Thriftimart	198.4	27⅞– 5⅜	23⅛	0.9	21	7.37	3	1.20	5.1
277	128	Arcata	198.3	27⅞– 6⅞	21⅝	6.8	147	4.16	5	1.28	5.9
278	449	Sysco	198.1	24⅛– 6⅛	19⅝	6.2	121	2.85	7	0.40	2.0
279	258	Giant Food	197.6	19⅜– 5½	15⅝	4.9	77	3.69	4	1.00	6.4
280	335	Ark Louisiana Gas	197.6	24½– 8⅛	24¼	25.1	609	2.44	10	1.24	5.1
281	221	Norton	197.5	34⅜–10¼	30⅛	16.4	494	4.88	6	1.60	5.3
282	228	Continental Airlines	197.4	17½– 3⅛	9⅛	15.0	137	–0.20	def	0.40	4.4
283	418	United States Filter	196.9	17⅝– 3½	11⅞	8.0	95	1.83	6	0.36	3.0
284	566	Marathon Oil	195.7	52 –14⅞	51⅛	60.5	3,110	4.90	10	1.60	3.1
285	307	Kaiser Alum & Chem	195.0	22⅛– 6⅛	18⅝	40.6	756	4.96	4	1.20	6.4
286	134	Albertson's	195.0	46⅜–12⅛	36⅞	7.4	273	5.30	7	1.20	3.3
287	646	Natomas	194.8	31⅜– 9⅛	31⅜	23.1	725	5.28	6	1.10	3.5
288	402	Baker International	194.2	54⅜–16	53⅞	31.3	1,687	3.25	17	0.60	1.1
289	310	Revco D S	193.4	32⅜– 8½	25⅛	13.4	337	2.61	10	0.80	3.2
290	365	Schlumberger	193.3	95⅞–27	93⅜	127.1	11,918	4.72	20	1.10	1.2
291	408	Washington Natl Corp	191.9	39 – 9⅛	27	6.6	178	4.62	6	1.40	5.2
292	96	Maryland Cup	191.9	31⅞– 7⅛	21¼	6.7	143	2.77	8	0.64	3.0
293	90	Borman's	191.7	9⅝– 1¼	4⅜	2.9	13	1.37	3	0.20	4.6
293	234	Imperial Corp of Am	191.7	29⅝– 7½	21⅞	14.2	311	5.14	4	1.20	5.5
293	388	Shopwell	191.7	7 – 1¼	4⅜	1.4	6	0.63	7	none	0.0
296	363	Crum & Forster	190.9	60⅛–17	48	13.7	658	10.40	5	2.52	5.3
297	599	Trans World	190.5	30⅜– 5⅛	15¼	15.9	243	1.62	9	none	0.0
298	266	Walgreen	190.0	30⅞–10	29	6.7	194	4.54	6	1.50	5.2
299	208	Pay'n Save	189.5	30⅞– 9½	27½	5.5	151	3.38	8	0.72	2.6
300	170	Vulcan Materials	188.8	37¼–11⅜	33¾	11.5	388	4.83	7	1.60	4.7
301	150	Campbell Taggart	187.9	28⅜– 7½	21⅜	11.1	241	2.85	8	1.08	5.0
302	294	Thrifty Corp	187.9	17¼– 4⅛	11⅞	9.8	117	1.45	8	0.66	5.6
303	314	Pan Am World Airways	187.5	10⅜– 2	5¾	71.0	408	0.85	7	none	0.0
304	475	Mobil	186.8	56 –17⅛	51⅝	212.1	10,948	8.34	6	3.00	5.8
305	144	Missouri Pacific Corp	185.9	59½–16⅞	48⅛	15.4	744	11.06	4	3.00	6.2
306	382	Western Bancorp	185.8	35 –10⅝	30¼	36.8	1,113	5.25	6	1.64	5.4
307	110	Hoover Universal	185.6	25½– 5⅝	16½	8.8	145	3.20	5	1.24	7.5
308	*	Houston Oil & Minerals	184.4	42⅜– 5⅛	20	29.1	582	1.57	13	0.80	4.0
309	139	Fort Howard Paper	183.0	47⅛–13⅜	39⅝	13.4	533	4.41	9	1.32	3.3
310	188	Central Steel & Wire	182.9	230 –76	215	0.3	72	49.46	4	12.75	5.9
311	590	Auto Data Processing	182.8	41 –13⅜	38	15.2	576	2.28	17	0.64	1.7
312	333	Pennzoil	182.4	35⅝–11⅜	34⅞	49.6	1,729	4.10	8	1.72	4.9
313	645	Pacific Resources	182.4	25¾– 4⅛	16¼	6.7	109	1.68	10	0.60	3.7
314	441	Fred Meyer	182.3	34⅜–10	28	6.5	183	3.35	8	0.56	2.0
315	77	Colt Industries	181.8	51½–15⅛	44⅜	12.7	564	7.91	6	2.50	5.6
316	699	Standard Oil Ohio	181.7	85 –22⅛	84½	118.3	9,998	7.51	11	1.60	1.9
317	9	Coachmen Industries	181.4	19⅜– 1⅛	4⅜	3.5	17	–1.20	def	none	0.0
318	*	Universal Foods	181.2	23 – 4⅞	13⅜	6.7	92	1.54	9	0.96	7.0
319	527	Central Louisiana Engy	181.1	39⅝–14⅛	39	9.6	375	4.94	8	1.68	4.3
320	233	Martin Marietta	181.0	40⅜–13⅛	36⅞	25.0	920	7.04	5	2.12	5.7

*Not ranked last year.

def deficit.

Who's Where in the Stock Market

Five-Year Change in Consumer Price Index: 45.0%

Rank 79	Rank 78	Company	5-year price change	1975-79 price range	recent price	shares outstanding (millions)	total market value (millions)	latest 12-month earnings per share	price/ earnings ratio	indicated annual dividend	current yield
321	204	Raymond Intl	179.6%	28⅜– 4⅞	13¾	4.8	$ 66	$3.38	4	$1.00	7.3%
322	229	Combined Insurance	179.3	21⅝– 6⅛	18½	27.0	500	3.23	6	1.40	7.6
323	326	National Svc Inds	178.9	21¼– 6⅝	18⅛	12.7	231	3.12	6	1.08	6.0
324	648	F W Woolworth	178.7	32 – 9⅜	26⅛	29.3	766	5.29	5	1.60	6.1
325	164	Mead	178.4	33⅞– 8⅜	24⅛	25.8	622	5.42	4	1.80	7.5
326	212	SCM	178.1	32 – 9	25⅝	9.5	242	5.37	5	1.30	5.1
327	513	Santa Fe Intl	178.1	40½– 9	32½	21.2	689	0.59	55	0.72	2.2
328	276	A-T-O	176.9	14⅞– 3⅜	9	5.9	53	2.53	4	0.56	6.2
329	187	Rexnord	175.2	21¼– 6¼	17⅜	19.5	339	3.03	6	0.96	5.5
330	380	Copeland	175.0	25 – 7½	19¼	5.6	108	1.45	13	0.92	4.8
330	140	New York Times	175.0	32 – 7⅛	22	11.8	260	2.30	10	0.90	4.1
332	481	Trane	174.1	23½– 6⅞	18½	10.2	188	2.52	7	0.92	5.0
333	329	Nationwide Corp	173.9	19½– 5⅞	15¾	10.2	161	3.30	5	0.60	3.8
334	480	Curtiss-Wright	171.7	22¼– 5½	15⅝	8.2	128	2.24	7	0.80	5.1
335	949	Kaufman & Broad	170.8	13⅞– 3	8⅛	11.7	95	1.15	7	0.24	3.0
336	391	Gifford-Hill	169.1	17¼– 5⅜	14⅛	7.2	102	3.39	4	0.92	6.5
337	281	NL Industries	168.5	31½–11⅛	30⅜	32.9	1,015	3.02	10	1.20	3.9
338	108	A E Staley Mfg	165.9	32½–10	29½	12.6	372	1.86	16	1.00	3.4
339	438	Cameron Iron Works	165.5	76 –21	73	9.5	693	6.32	12	0.60	0.8
340	333	Earth Resources	163.3	28⅝– 8⅜	26	5.3	137	3.05	9	1.00	3.8
341	*	Wylain	163.3	19⅛– 6	16⅛	3.8	60	1.85	9	0.80	5.0
342	562	Archer Daniels Midland	162.9	27¼– 9⅛	27¼	34.6	944	2.03	13	0.20	0.7
343	703	Louisiana-Pacific	162.3	26⅜– 7⅜	19½	28.6	558	3.70	5	0.60	3.1
344	524	Seafirst	161.9	31⅞– 9⅞	26⅜	15.0	401	4.20	6	1.12	4.2
345	252	Willamette Inds	161.6	41 –11⅜	30⅜	14.4	442	4.54	7	1.24	4.0
346	332	Godfrey	161.0	20⅜– 7⅛	19	0.9	18	3.84	5	1.00	5.3
347	605	Rollins Inc	160.9	31⅜–11⅛	28⅜	13.4	380	2.28	12	0.72	2.5
348	382	Engelhard Minerals	159.9	24¼– 7¼	22½	65.0	1,456	4.00	6	0.96	4.3
349	319	Turner Construction	159.8	35⅜–11⅛	28¼	1.1	31	4.73	6	2.00	7.1
350	456	Standard Oil Calif	159.6	62⅛–22⅛	57¾	170.9	9,870	9.92	6	3.20	5.5
351	583	Freeport Minerals	159.0	50⅜–11⅞	45¾	21.0	959	4.04	11	1.20	2.6
352	238	White Consolidated	158.6	28¼– 8⅛	22⅝	13.2	298	4.70	5	1.40	6.2
353	130	DPF	158.3	14⅛– 3	7⅛	4.5	35	2.43	3	none	0.0
354	263	Leaseway Transportation	157.0	26⅜– 7⅜	20	11.9	237	3.59	6	1.30	6.5
355	550	Tiger International	156.9	34⅜– 7⅜	18⅜	14.3	266	3.23	6	0.80	4.3
356	876	Marriott	156.9	18⅜– 6	16½	34.2	565	1.82	9	0.20	1.2
357	361	Hershey Foods	156.4	27½–10⅛	25	14.2	354	3.81	7	1.40	5.6
358	184	Potlatch	156.4	39⅜–11⅞	31¼	15.1	473	5.36	6	1.32	4.2
359	331	Borg-Warner	156.1	37¼–13½	34¼	20.7	708	7.09	5	2.30	6.7
360	262	Houston Natural Gas	155.8	38½–14⅜	37¼	38.6	1,437	3.57	10	1.10	3.0
361	315	Foremost-McKesson	155.4	30⅞–10½	26½	13.5	359	4.92	5	1.56	5.9
362	277	Alexander's	155.0	9⅝– 2⅛	6⅜	4.5	29	0.91	7	0.40	6.3
363	685	Amer Hoist & Derrick	154.6	26⅝– 8⅜	21	5.6	119	3.51	6	1.12	5.3
363	428	Chromalloy American	154.6	24⅜– 8⅛	21	12.3	258	4.04	5	1.10	5.2
365	192	Weis Markets	154.1	28½–10	25⅝	9.1	233	3.10	8	0.80	3.1
366	399	Security Pacific	153.9	34⅜–11⅞	29⅝	27.6	819	5.79	5	1.80	6.1
367	318	Dow Jones	153.3	40 –15	38	15.5	590	3.23	12	1.44	3.8
368	198	TRW	150.9	42⅜–14½	35⅛	28.8	1,010	6.04	6	2.00	5.7
369	309	Morton-Norwich	150.5	34⅞–10⅞	29⅜	13.5	401	3.53	8	1.40	4.7
370	180	Emhart	150.0	45 –12½	31½	11.8	371	5.54	6	2.40	7.6
370	367	Pay Less Drug (Cal)	150.0	18⅞– 5¼	13⅛	2.1	28	1.36	10	0.40	3.0
372	239	Koppers	149.3	30⅛– 9⅛	23⅜	26.1	609	3.51	7	1.40	6.0
373	*	Curtice-Burns	149.2	21⅝– 7⅞	20¼	1.5	31	3.52	6	1.10	5.4
374	578	Browning-Ferris Inds	148.8	16¼– 5	12¾	16.9	216	1.49	9	0.70	5.5
375	582	Western Union	148.6	24⅜– 9⅛	22⅜	15.6	350	–0.42	def	1.40	6.3
376	615	Foxboro	148.4	44⅜–15⅜	38½	8.3	319	4.40	9	1.30	3.4
377	183	United States Shoe	148.3	38½– 7⅜	18	7.0	126	4.09	4	1.48	8.2
378	807	North American Coal	146.6	38½–12⅛	35¾	3.3	119	3.92	9	0.64	1.8
379	287	Cluett, Peabody	146.4	14⅞– 3⅛	8⅝	8.9	77	1.80	5	0.68	7.9
380	533	Dresser Industries	145.7	57½–19⅛	53⅜	38.8	2,087	5.67	[illegible]	1.10	2.0
381	618	St Louis-San Fran Ry	145.5	60⅜–21¼	54	2.6	143	7.16	8	2.50	4.6
382	359	Consol Freightways	144.0	34 – 9⅜	22⅞	13.0	298	5.21	4	1.30	5.7
383	391	Philips Industries	143.8	8⅜– 2	4⅞	4.9	24	1.25	4	0.32	6.6
384	253	Kroger	143.6	27 – 7⅞	18⅞	27.4	517	3.76	5	1.36	7.2
385	226	Big Three Industries	142.9	44½–15½	37¾	20.1	758	3.05	12	0.88	2.3

*Not ranked last year.

def deficit.

Who's Where in the Stock Market

Five-Year Change in Consumer Price Index: 45.0%

Rank 79	Rank 78	Company	5-year price change	1975-79 price range	recent price	shares outstanding (millions)	total market value (millions)	latest 12-month earnings per share	price/earnings ratio	indicated annual dividend	current yield
386	*	Snap-On Tools	142.9%	26⅛–10⅛	25⅛	19.8	$ 504	$2.10	12	$0.80	3.1%
387	554	Saga Corp	142.3	16¾– 3⅝	7⅜	4.7	37	0.33	24	0.44	5.6
388	393	U S Fidelity & Gty	141.1	41⅛–15⅛	37⅝	27.7	1,040	8.05	5	2.40	6.4
389	242	Reeves Brothers	140.8	33⅞–11⅛	26⅞	2.4	65	7.62	4	2.00	7.4
390	587	Scott & Fetzer	140.5	36⅛– 9⅛	22¼	7.4	164	4.52	5	1.80	8.1
391	507	American Financial	140.0	30½– 6	21	5.8	123	8.61	2	0.04	0.2
392	182	Ogden	138.3	40 –13½	31⅞	8.5	276	6.51	5	2.00	6.3
393	564	Ohio Casualty	138.1	38½–14⅛	35¼	11.7	410	6.81	5	1.40	4.0
394	303	Insilco	137.8	14⅝– 4⅝	11¼	10.8	121	2.19	5	0.94	8.4
395	552	Lone Star Industries	137.7	27⅛– 9⅝	22⅞	10.0	229	5.49	4	1.40	6.1
396	454	So Natural Resources	137.4	51¼–20⅝	50⅝	20.2	1,024	5.27	10	1.50	3.0
397	563	Union Oil California	137.2	49⅝–16⅝	47	86.6	4,071	5.41	9	1.30	2.8
398	384	Dillingham	136.8	14⅝– 4⅝	11⅝	12.8	144	2.75	4	0.60	5.3
399	421	U S Bancorp	136.7	31¼–10⅞	25⅞	12.9	335	3.90	7	1.00	3.9
400	232	Bendix	136.4	47 –16¼	38½	22.3	850	7.10	5	2.84	7.4
401	457	Northwest Airlines	135.4	37⅛–11⅝	28¾	21.6	611	3.87	7	0.80	2.8
402	922	USLIFE	135.0	28 – 9⅛	23½	22.0	518	3.77	6	0.68	2.9
403	336	Texas Gas Transmn	134.4	27⅞–11⅛	27¼	20.2	549	3.37	8	1.46	5.4
404	256	Riegel Textile	134.2	22⅛– 6⅞	16	3.8	61	3.55	5	1.60	10.0
405	*	Valley Natl Bk Ariz	134.0	29⅝–12⅝	27½	10.0	275	4.43	6	1.40	5.1
406	217	Dibrell Brothers	133.8	19⅝– 5⅝	13¼	1.3	18	3.11	4	1.00	7.5
407	381	Diamond Shamrock	133.7	40 –10⅞	25⅛	52.9	1,329	3.26	8	1.60	6.4
408	*	Kaneb Services	133.6	22½– 7⅜	19⅝	20.9	405	2.04	9	0.80	4.1
409	65	Crane	133.5	37½–12	32⅛	10.0	322	5.16	6	1.60	5.0
410	98	Flickinger	133.4	15¼– 5	11⅞	2.9	34	2.21	5	0.60	5.1
411	*	Host International	133.3	27 – 5⅞	13⅛	5.5	72	2.86	5	0.60	4.6
411	327	Roper Corp	133.3	15⅛– 4½	10⅝	5.3	56	1.79	6	0.90	8.6
413	145	Kings Dept Stores	131.1	18 – 5½	13	7.5	97	2.06	6	0.90	6.9
414	*	Earle M Jorgensen	130.3	37⅛–12⅛	28½	3.3	93	5.75	5	1.50	5.3
415	79	Super Food Services	129.9	18 – 4⅞	10⅞	1.6	18	1.71	6	0.40	3.7
416	265	Interpace	129.8	23⅝– 7⅞	18	4.1	74	4.66	4	1.40	7.8
417	84	Pitney-Bowes	129.4	30½–11⅛	26⅝	13.8	363	3.74	7	1.40	5.3
418	357	A O Smith	129.3	24⅞– 7⅛	16⅝	4.9	82	5.88	3	1.40	8.4
419	767	Zapata	128.5	24⅛– 8⅝	22⅝	8.2	185	2.36	10	0.30	1.3
420	387	Cannon Mills	128.1	24⅛–10⅛	23⅜	8.5	199	3.51	7	1.28	5.5
421	855	Southwestern Life	127.9	41⅛–14⅝	38⅝	15.1	587	2.67	15	1.00	2.6
422	784	First City Bancorp	127.7	40⅝–16⅛	37	11.8	436	5.21	7	1.56	4.2
423	264	Gt Northern Nekoosa	127.7	40⅝–14⅛	31⅞	15.9	507	5.56	6	1.60	5.0
424	176	Gould	127.3	35½–10⅝	24¼	27.8	673	3.60	7	1.72	7.1
425	751	Phillips Petroleum	127.2	49⅛–18½	49⅛	154.4	7,586	5.73	9	1.40	2.8
426	628	Westvaco	126.5	35⅛–12⅞	29¼	16.9	494	4.61	6	1.50	5.1
427	482	Certain-teed	126.4	28⅛– 6⅛	15	13.4	201	1.40	11	0.90	6.0
428	406	FMC	125.9	29½–10⅞	24	32.1	771	4.47	5	1.40	5.8
429	673	Shell Oil	125.7	54⅛–19⅝	52⅝	154.0	8,125	6.45	8	2.40	4.5
430	129	Olin Corp	125.6	25⅛– 7⅛	16½	23.9	395	2.95	6	1.00	6.1
431	88	United Technologies	125.3	52½–15⅝	36⅝	41.6	1,531	6.19	6	2.20	6.0
432	539	Stewart-Warner	123.9	41⅝–13⅞	30	5.2	156	4.54	7	1.88	6.3
433	761	City Stores	123.1	5⅛– 1½	3⅜	3.3	12	–4.92	def	none	0.0
434	102	Denny's	122.6	35 – 6⅝	14⅝	5.7	128	2.66	6	0.88	6.0
435	216	Stanadyne	122.5	38⅛–10	22¼	4.8	107	4.32	5	1.40	6.3
436	407	McGraw-Edison	122.0	33 –11⅛	25⅛	16.3	411	4.11	6	1.80	7.1
437	[illegible]	Lucky Stores	121.6	18½– 7⅛	15⅝	48.3	761	2.11	7	1.00	6.3
438	353	Scovill	121.2	24⅞– 8⅝	18⅛	9.2	169	3.51	5	1.52	8.3
439	600	Kuhn's-Big K Stores	121.1	10⅝– 1⅝	3½	2.6	9	0.41	9	none	0.0
440	222	Occidental Petroleum	120.6	31⅛–12⅝	28⅝	70.9	1,993	5.06	6	1.50	5.3
441	[illegible]	United States Gypsum	120.5	37⅞–14⅛	30⅝	15.6	482	7.66	4	2.40	7.8
442	543	IC Industries	120.5	32½–10⅝	24⅛	15.8	384	5.00	5	1.84	7.6
443	841	First Wisconsin Corp	119.6	29⅝–11⅞	25⅛	4.2	105	5.22	5	1.88	7.4
444	245	Tandy	118.1†	34⅝–10⅝	28⅝	23.5	671	3.35	9	none	0.0
445	76	Gray Drug Stores	117.9	19⅛– 4½	9⅝	2.6	25	1.49	6	0.80	8.3
446	407	Bemis	117.7	30⅝–12⅛	28⅛	3.7	106	6.22	5	1.40	5.0
447	521	Champion Intl	116.7	28⅛–10⅝	22⅝	50.4	1,147	4.83	5	1.40	6.2
447	663	Provident Life & Acc	116.7	53 –21	45½	9.8	448	7.41	6	1.48	3.3
449	305	Garfinckel Brooks Bros	116.1	29⅝– 6⅞	15⅛	4.5	68	3.15	5	1.24	8.2
450	282	Witco Chemical	115.8	29⅝–11⅝	25	8.7	219	4.90	5	1.40	5.6

*Not ranked last year. †Four-year price change.

def deficit.

Who's Where in the Stock Market

Five-Year Change in Consumer Price Index: 45.0%

Rank 79	Rank 78	Company	5-year price change	1975-79 price range	recent price	shares outstanding (millions)	total market value (millions)	latest 12-month earnings per share	price/earnings ratio	indicated annual dividend	current yield
451	*	DETROITBANK Corp	115.1 %	29⅝–11⅛	24	8.5	$ 204	$ 5.19	5	$1.80	7.5%
452	*	Esco	114.0	30¼– 7⅛	15⅛	3.3	50	2.91	5	1.20	7.9
453	679	Conoco	114.0	48¼–20⅛	47⅜	107.6	5,137	7.26	7	1.90	4.0
454	989	Rose's Stores	114.0	17⅝– 4⅜	11⅛	2.1	25	3.23	4	0.72	6.3
455	576	Union Pacific	113.8	74 –30⅞	73½	47.7	3,505	7.58	10	2.80	3.8
456	423	Oscar Mayer	113.6	26 – 9⅞	21	14.6	307	2.98	7	1.00	4.8
457	231	H H Robertson	113.5	35 –13⅛	27⅛	2.1	59	5.46	5	1.90	6.8
458	127	Ball Corp	113.3	28⅞–11⅝	24	5.0	120	4.71	5	1.40	5.8
459	156	National Can	113.2	25⅝– 9⅛	20⅛	7.8	157	4.45	5	0.72	3.6
460	416	George A Hormel	112.5	39 –15⅝	34	4.8	163	6.37	5	1.68	4.9
461	556	Florida Power	112.0	34¼–13⅞	28⅜	14.5	414	3.84	7	3.00	10.5
462	553	Michigan National	111.9	25½– 7⅝	17⅛	9.2	159	4.74	4	1.20	7.0
463	347	National Gypsum	111.6	24⅝– 8⅝	18⅛	16.5	301	4.77	4	1.48	8.1
464	933	American Motors	111.5	9⅛– 3⅜	6⅜	30.4	209	2.24	3	0.30	4.4
465	*	Penn Traffic	111.5	18¼– 6⅛	14⅛	2.1	30	3.08	5	1.20	8.4
466	869	Texas Eastern	111.2	62⅜–25⅝	61⅛	25.2	1,543	6.58	9	2.70	4.4
467	850	Perkin-Elmer	111.2	36⅝–16	35⅝	19.7	695	2.79	13	0.72	2.0
468	298	Magic Chef	111.1	14⅞– 3⅛	7⅛	7.8	55	1.78	4	0.60	8.4
469	169	Anderson, Clayton	110.8	26¼–10	21⅞	13.4	294	3.74	6	1.12	5.1
470	499	Commercial Metals	110.3	23⅜– 6⅝	19⅞	2.8	55	5.32	4	0.55	2.8
471	724	Republic of Texas	110.0	30 –11⅞	24½	17.8	435	3.84	6	1.00	4.1
472	367	American Natl Ins	109.6	18½– 6½	13⅜	30.8	420	2.52	5	0.60	4.4
472	288	Ethyl	109.6	30 –11½	24½	18.8	460	4.88	5	1.50	6.1
472	806	Quaker Oats	109.6	28⅝–12⅜	27⅛	19.8	540	4.27	6	1.40	5.1
475	222	Harcourt Brace Jovan	109.3	41¼–14⅝	30⅜	4.4	135	3.45	9	1.44	4.7
476	466	Rockwell Intl	109.0	46⅝–18⅞	40½	35.3	1,431	7.33	6	2.60	6.4
477	300	Federal-Mogul	108.8	20¼– 5⅞	14⅜	12.5	184	3.36	4	1.08	7.3
478	349	American Brands	108.3	67½–30⅛	63	26.8	1,687	11.12	6	5.00	7.9
479	367	Arden Group	107.7	5½– 1⅛	3⅜	3.5	12	0.31	11	none	0.0
480	358	Dravo	106.5	35¼–13⅜	27⅞	8.0	223	3.75	7	1.28	4.6
481	413	Purex Industries	106.5	20⅛– 7⅛	16	11.3	180	2.30	7	1.28	8.0
482	592	Zale	106.4	25⅛– 9⅜	20⅛	10.5	212	3.44	6	1.08	5.4
483	572	Questor	105.0	12½– 3⅜	7	9.7	68	0.62	11	0.20	2.9
484	832	Sun Company	104.7	70⅝–25½	70	54.0	3,779	10.12	7	3.00	4.3
485	642	Dun & Bradstreet	104.6	40⅝–18⅜	39⅝	27.9	1,098	3.03	13	1.76	4.5
486	516	Wells Fargo	103.9	33⅝–12⅞	26½	22.6	599	5.43	5	1.72	6.5
487	431	Arvin Industries	103.7	23⅝– 5⅛	11⅝	6.5	74	2.78	4	1.12	9.8
488	405	Timken	103.5	63½–24⅜	50⅜	11.2	564	9.21	5	3.25	6.5
489	769	BanCal Tri-State	103.3	26¼–11½	22⅞	4.4	101	3.96	6	0.92	4.0
490	654	Hughes Tool	103.2	50 –19⅝	49⅝	17.7	876	3.65	14	0.84	1.7
491	293	Reynolds Metals	102.6	44⅞–14⅜	29⅝	18.8	548	8.93	3	2.20	7.6
492	418	RCA	102.3	33⅞–10⅝	21⅛	74.9	1,630	3.79	6	1.60	7.4
493	798	A C Nielsen	102.3	28⅜– 9⅞	22⅛	11.0	245	2.38	9	0.80	3.6
494	628	Gulf Oil	102.1	36 –17⅝	35⅝	195.0	6,948	6.20	6	2.25	6.3
495	125	Southland Corp	102.0	32¼–13⅜	27⅞	22.9	639	3.24	9	0.84	3.0
496	655	Aetna Life & Casualty	101.8	36⅝–11½	32⅛	80.6	2,589	6.96	5	1.80	5.6
497	420	Sperry & Hutchinson	101.8	23½– 6⅞	14⅝	9.1	130	3.40	4	1.00	7.0
498	374	Natl Detroit Corp	101.7	35⅝–14⅜	29½	12.1	357	6.02	5	2.00	6.8
499	*	Dillard Dept Stores	101.7	20 – 7½	14⅞	2.6	39	2.98	5	0.40	2.7
500	822	Southern Union	101.5	32⅞–15⅝	30⅜	6.8	207	3.89	8	1.92	6.3
501	700	W W Grainger	101.4	39 –17⅛	35	14.1	493	3.40	10	0.92	2.6
502	340	Intl Multifoods	101.4	25½– 8⅞	18	8.1	145	3.09	6	1.20	6.7
503	375	Interco	101.3	48⅝–18⅜	38⅛	14.3	547	6.83	6	2.40	6.3
504	236	Genl Tire & Rubber	101.3	31⅛– 9½	19⅝	23.2	450	4.13	5	1.50	7.7
505	446	Gt Western Financial	100.8	27⅜– 7⅛	20⅛	22.4	454	4.15	5	0.84	4.1
506	442	Eaton	100.3	30½–13⅛	25⅞	25.9	669	5.53	5	1.72	6.6
507	426	North Amer Philips	100.0	36 –12⅜	25½	13.0	330	6.17	4	1.70	6.7
507	311	Revere Copper	100.0	21⅛– 6	12	5.7	68	4.53	3	none	0.0
509	378	Sheller-Globe	99.8	15⅝– 4⅛	8	6.2	50	1.84	4	0.70	8.8
510	605	Hewlett-Packard	99.6	61⅝–28⅛	60	58.9	3,534	3.38	18	0.40	0.7
511	343	Copperweld	99.5	26½– 9⅛	19	5.7	108	4.13	5	1.36	7.2
511	765	Jonathan Logan	99.5	18⅜– 4⅜	9½	5.2	49	1.07	9	0.60	6.3
513	738	Peabody Intl	99.2	28 – 8⅝	19⅞	9.1	182	2.70	7	0.32	1.6
514	438	Textron	99.0	35 –12⅝	24⅝	32.8	799	4.55	5	1.80	7.4
515	279	Pillsbury	98.6	47⅛–18	35⅛	20.0	716	4.76	8	1.72	4.8

*Not ranked last year.

def deficit.

Who's Where in the Stock Market

Five-Year Change in Consumer Price Index: 45.0%

Rank 79	78	Company	5-year price change	1975-79 price range	recent price	shares outstanding (millions)	total market value (millions)	latest 12-month earnings per share	price/earnings ratio	indicated annual dividend	current yield
516	511	Wickes	98.0%	19½– 7⅝	14⅛	10.8	$ 153	$ 3.42	4	$1.04	7.4%
517	335	Oklahoma Natural Gas	97.9	28⅜–11⅞	23¼	10.3	240	3.10	8	1.80	7.7
518	567	Panhandle Eastern	97.8	57⅛–26⅞	57⅛	18.3	1,040	8.91	6	3.10	5.4
519	414	Fuqua	97.5	35 –10⅛	19⅝	7.6	150	4.10	5	1.20	6.1
520	668	Amerace	97.1	32¼–13¼	25⅞	2.4	61	4.49	6	1.32	5.1
521	742	Cities Service	96.8	85½–36¼	85⅛	27.7	2,357	7.62	11	3.60	4.2
522	395	U S Air	96.3	15 – 3⅝	6⅝	11.9	79	2.08	3	none	0.0
523	439	Owens-Corning Fiberglas	96.1	36⅝–12⅝	24⅞	30.5	758	3.77	7	1.20	4.8
524	460	Monfort of Colorado	96.0	9⅝– 3⅛	6⅛	4.9	30	–0.04	def	0.12	2.0
525	531	El Paso Company	95.1	22¼–10¼	20	46.4	927	3.23	6	1.48	7.4
526	937	Gino's	95.1	18 – 4⅝	10	4.7	47	1.57	6	0.40	4.0
527	166	Marsh Supermarkets	94.8	7⅛– 2⅜	4¾	3.2	15	0.92	5	0.32	6.7
528	982	Louisiana Land & Exp	94.8	55¼–19⅝	46½	38.0	1,766	3.94	12	1.48	3.2
529	453	Gannett	94.6	50⅝–23	45¼	34.7	1,570	3.56	13	2.00	4.4
530	643	Standard Oil Indiana	94.3	84⅛–36	84½	151.3	12,786	9.58	9	3.00	3.6
531	904	Stop & Shop	93.8	20⅝– 7⅞	15¼	4.0	62	4.01	4	1.20	7.9
532	505	Consolidated Foods	92.9	27⅛–12⅞	23⅝	29.5	697	3.74	6	1.76	7.4
533	215	Gerber Products	92.8	39⅝–12¼	23¼	8.9	208	3.39	7	1.62	6.9
534	211	Butler Manufacturing	92.6	32⅜–11¼	23⅜	5.6	134	4.29	6	1.20	5.1
535	308	Northern Natural Gas	92.4	53 –25¾	50⅝	22.6	1,151	7.58	7	3.00	5.9
536	690	Consumers Power	92.4	25⅝– 9⅞	19	47.7	906	3.49	5	2.36	12.4
537	689	Continental Illinois	91.5	32⅞–13¾	25½	39.2	1,000	4.91	5	1.60	6.3
538	282	Grumman	91.5	24⅞– 9¼	17⅝	8.5	150	1.87	9	1.20	6.8
539	196	H K Porter	91.0	66 –30	64	1.2	75	17.12	4	3.20	5.0
540	448	Nabisco	90.9	28½–11¼	21	32.2	676	3.08	7	1.62	7.7
541	328	Dean Witter Reynolds	89.4	21⅝– 5¼	11¼	8.0	89	1.37	8	0.80	7.2
542	444	Fruehauf	89.3	40 –14	26¼	12.2	323	7.20	4	2.40	9.1
543	517	DeSoto	89.1	20⅛– 5¼	10⅞	5.5	60	1.44	8	1.00	9.2
544	839	Bell & Howell	88.8	25½–10⅛	18⅞	5.5	105	–5.58	def	0.96	5.1
545	292	Eastern Air Lines	88.5	15⅝– 3¼	6⅛	24.9	152	1.46	4	none	0.0
546	323	Harnischfeger	87.7	26 – 7⅝	13⅞	8.9	123	–0.12	def	0.40	2.9
547	759	Walt Disney	87.7	60¼–19¼	37¼	32.3	1,203	3.51	11	0.72	1.9
548	519	Crown Cork & Seal	87.5	35¾–14⅝	28¾	14.9	420	4.61	6	none	0.0
549	269	Revlon	87.4	59 –23⅝	44⅝	33.1	1,479	4.45	10	1.56	3.5
550	*	Robertshaw Controls	87.3	29½– 9	16⅝	3.9	65	2.86	6	1.30	7.8
551	160	Stokely-Van Camp	87.2	37⅝–13⅞	25¾	3.3	85	4.08	6	1.48	5.7
552	779	AMAX	86.6	45¼–19¼	38¼	52.8	2,018	5.76	7	1.80	4.7
553	398	Consol Natural Gas	86.5	47⅛–21¼	39⅝	19.5	773	5.68	7	3.00	7.6
554	816	Alcan Aluminium	86.3	42 –18⅝	37¼	40.4	1,507	9.07	4	2.40	6.4
555	471	Eastern Gas & Fuel	86.1	29⅛–10⅝	19⅝	21.1	416	2.27	9	0.92	4.7
556	687	Safeco	85.8	38 –14¼	35	19.6	685	6.74	5	1.80	5.1
557	377	Ward Foods	85.3	12⅝– 4⅛	7½	3.9	29	1.18	6	none	0.0
558	219	Dillon Companies	85.2	23⅞– 8⅞	16½	16.1	266	1.96	8	1.08	6.5
559	547	Jack Eckerd	85.0	33¼–14⅜	27⅜	23.6	655	2.58	11	1.00	3.6
560	683	Travelers	84.8	40⅝–19⅛	36½	42.3	1,542	8.83	4	2.08	5.7
561	451	General Foods	84.6	37 –18⅜	33	49.9	1,648	5.40	6	2.00	6.1
562	927	ASARCO	84.4	31¼–12	25⅛	30.2	758	7.44	3	1.00	4.0
563	489	Wm Wrigley Jr	84.2	96½–41⅞	76	3.9	299	9.46	8	4.98	6.6
564	482	Intl Harvester	84.2	45½–19⅝	36⅝	30.6	1,113	9.63	4	2.50	6.9
565	760	Santa Fe Industries	83.6	55 –24¼	50½	28.1	1,419	7.24	7	2.60	5.1
566	859	Corning Glass Works	83.3	80 –28⅞	55	17.7	975	7.15	8	2.12	3.9
566	356	Gulf & Western Inds	83.3	21½– 8½	17	44.9	764	4.62	4	0.75	4.4
568	230	Peavey	83.2	24 –10⅛	18⅝	5.6	104	2.85	7	1.00	5.4
569	371	American Airlines	82.9	19⅝– 5⅛	9⅜	28.7	269	3.01	3	0.40	4.3
570	379	National Distillers	82.5	30⅝–13⅞	26	31.1	809	4.05	6	1.80	6.9
571	581	Washington Gas Light	82.1	27½–12	21⅝	4.4	94	1.59	14	2.40	11.1
572	797	Allegheny Ludlum Inds	81.8	28⅞–13⅝	25	7.6	190	7.13	4	1.40	5.6
573	408	St Joe Minerals	81.2	50 –17⅛	31¼	22.5	702	3.80	8	1.40	4.5
574	577	PepsiCo	80.9	33⅞–13⅝	24½	93.3	2,286	2.76	9	1.14	4.7
575	787	Getty Oil	80.7	73¼–31⅞	71½	92.2	5,874	6.36	11	1.60	2.2
576	474	Dayco	80.6	18⅝– 6⅛	14⅜	5.1	74	4.41	3	0.56	3.9
577	571	Ideal Basic Inds	80.4	28 –11⅛	20⅞	13.2	274	4.08	5	1.60	7.7
578	787	Beneficial Corp	80.0	32¼–14¼	24¾	22.1	546	4.75	5	2.00	8.1
578	*	Manufacturers National	80.0	30⅝–13⅜	24	5.0	121	6.44	4	2.20	9.2
580	330	Transway Intl	79.8	29⅞–12⅛	23⅜	6.5	153	4.91	5	1.80	7.7

*Not ranked last year.
def deficit.

Who's Where in the Stock Market

Five-Year Change in Consumer Price Index: 45.0%

Rank 79	Rank 78	Company	5-year price change	1975-79 price range	recent price	shares outstanding (millions)	total market value (millions)	latest 12-month earnings per share	price/earnings ratio	indicated annual dividend	current yield
581	*	Raychem	79.3%	53 –14⅝	50½	8.5	$ 430	$ 4.04	13	$0.36	0.7%
582	500	Cummins Engine	79.2	58½–15⅝	29⅝	8.3	243	6.98	4	1.80	6.2
583	320	PPG Industries	79.1	39⅞–16⅛	29¼	32.1	938	5.10	6	2.00	6.8
584	664	Atlantic Richfield	79.1	82 –37⅜	81¼	114.4	9,295	8.52	10	2.80	3.4
585	692	BancOhio Corp	78.9	24½–10¼	18¼	8.0	147	3.74	5	1.40	7.7
586	370	Strawbridge & Clothier	78.8	33⅜–12¼	22	1.9	41	5.84	4	1.40	6.4
587	591	Brown Group	78.6	30 –13⅜	25	7.3	182	5.23	5	2.00	8.0
588	317	Pennwalt	78.4	42⅛–17⅜	31	8.5	265	4.87	6	2.20	7.1
589	*	Pittsburgh National	78.4	45½–22½	39¼	6.1	241	7.08	6	2.60	6.6
590	993	NCNB	78.3	16⅝– 7⅝	13⅜	17.1	228	2.53	5	0.64	4.8
591	324	Springs Mills	77.8	20⅞– 8⅜	16	8.7	139	3.98	4	1.20	7.5
592	95	Bird & Son	77.8	37⅛– 9⅝	17½	4.1	72	3.59	5	1.60	9.1
593	940	Roth Packing	77.3	6¼– 2	4⅜	1.2	6	–1.25	def	none	0.0
594	635	Brooklyn Union Gas	77.2	25 –11⅞	20⅜	7.6	154	3.40	6	2.02	9.9
595	565	Crocker Natl Corp	76.9	35⅜–14⅞	26¼	12.5	335	8.68	3	2.00	7.5
596	580	Tampa Electric	76.3	21⅛– 9½	16¼	15.3	256	2.20	8	1.44	8.6
597	623	Exxon	76.0	61¼–32½	56⅝	440.3	25,045	8.54	7	4.40	7.7
598	743	Columbus & So Ohio	75.5	28⅜–12⅝	21½	16.2	349	2.60	8	2.32	10.8
599	372	Ryan Homes	75.3	25⅝–11¼	19½	6.5	127	2.96	7	1.20	6.2
600	478	NICOR	75.0	35⅜–17⅝	30⅝	17.7	543	4.84	6	2.52	8.2
601	893	Westinghouse Electric	75.0	25 – 9⅝	17½	85.6	1,498	3.63	5	0.97	5.5
602	522	Gas Service	74.6	16⅛– 8⅜	14⅜	4.2	61	2.56	6	1.28	8.8
603	568	Irving Bank Corp	74.5	38⅛–18¾	32½	8.5	278	7.49	4	2.44	7.5
604	465	Deere	74.2	41½–17¼	37⅛	60.7	2,253	5.21	7	1.80	4.8
605	750	Nalco Chemical	72.8	36½–17	29⅝	19.9	583	3.11	9	1.36	4.6
606	186	Allied Van Lines	72.7	5⅜– 1⅜	2⅜	1.2	3	–0.33	def	none	0.0
606	485	Munford	72.7	14⅜– 4⅛	7⅛	2.1	15	0.28	25	none	0.0
608	376	Farmers Group	72.5	30⅛–13⅜	25⅞	33.9	877	2.87	9	0.84	3.2
609	870	CIT Financial	72.5	60⅛–26	53⅛	20.8	1,105	7.19	7	2.60	4.9
610	665	American Intl Group	72.4	62 –30	57⅛	37.5	2,147	5.90	10	0.42	0.7
611	512	Collins & Aikman	72.2	15⅛– 4⅛	7⅜	12.5	97	1.77	4	0.72	9.3
612	586	Edward Hines Lumber	72.1	26¼–11	18½	1.7	32	3.25	6	1.00	5.4
613	247	Stauffer Chemical	71.9	27 –10	18⅜	43.8	806	2.96	6	1.10	6.0
614	484	First Charter Finl	71.8	21⅝– 8⅜	15	29.7	446	3.21	5	0.80	5.3
615	733	Lincoln Natl Corp	71.7	48 –23⅜	41	22.6	927	6.78	6	2.80	6.8
616	*	Amer Maize-Products	71.4	16⅝– 6¼	10⅝	4.7	50	1.60	7	0.48	4.5
617	688	Libbey-Owens-Ford	71.2	37⅝–13⅞	23¼	11.1	263	5.42	4	2.35	9.9
618	780	Cal-Maine Foods	71.1	7 – 2⅛	5¼	2.5	13	0.90	6	none	0.0
619	304	Petrie Stores	70.8	49⅝–17	29¼	14.1	411	3.42	9	1.75	6.0
620	730	Sperry	70.8	52⅜–25⅝	46¼	35.7	1,668	6.97	7	1.56	3.3
621	306	Fleming Companies	70.7	23½–10⅜	17½	6.3	110	2.48	7	1.00	5.7
622	694	Halliburton	70.4	84⅝–38⅜	77⅝	58.8	4,579	6.50	12	2.00	2.6
623	630	Intl Tel & Tel	70.3	36⅝–14⅜	25⅛	113.8	2,860	2.82	9	2.40	9.6
623	297	Peoples Gas	70.3	40½–22¼	39¼	26.7	1,043	5.29	7	3.00	7.7
625	339	Malone & Hyde	70.2	32⅜–16½	28½	7.3	208	2.89	10	1.12	3.9
626	316	Cyclops	69.6	29⅞–10⅛	21⅝	3.0	65	7.06	3	1.23	5.7
627	495	Public Svc Elec & Gas	69.6	26⅛–12	19½	67.9	1,325	3.02	6	2.20	11.3
628	514	Diamond Intl	69.5	43¼–22⅛	37⅜	12.8	480	4.91	8	2.20	5.9
629	385	Celanese	68.8	58 –25⅞	43¼	14.4	623	10.03	4	3.20	7.4
630	*	Indianapolis Pwr & Lt	68.3	27 –13	21⅞	13.1	286	3.61	6	2.12	9.7
631	674	Carolina Pwr & Lt	67.8	25⅜–11	18¼	41.2	752	3.06	6	2.08	11.4
632	271	CPC International	67.4	58 –32⅝	55¼	23.8	1,314	7.48	7	3.00	5.4
633	498	General Refractories	66.7	14 – 5	10	3.8	38	1.70	6	none	0.0
633	417	NLT	66.7	37 –12⅜	23¼	34.6	801	3.74	6	1.12	4.8
635	956	SEDCO	66.5	50 –19⅜	47⅞	10.3	494	0.73	66	0.72	1.5
636	711	Alcoa	66.1	61¼–27⅛	49⅝	35.1	1,743	13.32	4	2.80	5.6
637	523	Union Camp	65.0	67⅞–24⅞	42¾	24.3	1,038	6.04	7	2.60	6.1
638	579	W R Grace	64.9	41¼–22⅛	35⅞	43.2	1,551	4.48	8	2.05	5.7
639	680	Connecticut General	64.8	42⅜–18⅜	34¾	41.3	1,436	6.20	6	1.32	3.8
640	249	Anchor Hocking	64.7	21⅞– 9⅜	15⅜	10.2	157	3.01	5	1.20	7.8
641	542	New England G & E	64.3	18⅞– 8⅞	14⅜	7.4	107	2.72	5	1.60	11.1
642	526	General Motors	64.2	78⅞–31¼	50⅝	286.9	14,487	12.09	4	5.30	10.5
643	397	Graniteville	64.2	17⅜– 6⅛	10⅞	4.3	47	0.23	47	1.00	9.2
644	437	Kimberly-Clark	63.5	50¼–24¼	40⅛	23.4	942	13.40	3	2.88	7.2
645	435	Tenneco	63.3	39⅝–19⅜	38⅜	103.1	3,956	5.16	7	2.40	6.3

*Not ranked last year.

def deficit.

Who's Where in the Stock Market

Five-Year Change in Consumer Price Index: 45.0%

Rank 79	Rank 78	Company	5-year price change	1975-79 price range	recent price	shares outstanding (millions)	total market value (millions)	latest 12-month earnings per share	price/earnings ratio	indicated annual dividend	current yield
646	255	J Weingarten	63.2%	9⅝– 3⅞	7⅝	2.3	$ 18	$0.62	13	none	0.0%
647	916	Allied Chemical	63.0	51⅜–27	46¼	28.8	1,330	–0.96	def	$2.00	4.3
648	614	Rochester Gas & Elec	62.9	20⅛– 9⅝	14¾	15.3	225	2.18	7	1.48	10.0
649	472	Merrill Lynch & Co	62.5	33⅛–10⅝	17⅞	36.5	653	2.70	7	0.96	5.4
649	165	Talley Industries	62.5	15⅝– 5	8⅛	4.8	39	1.06	8	1.00	12.3
651	520	Wisconsin Public Svc	61.7	22 –11⅞	19	10.8	205	2.83	7	1.72	9.1
652	308	Castle & Cooke	61.6	21⅜– 9	14⅝	24.0	352	1.78	8	0.80	5.5
653	479	Caterpillar Tractor	61.2	65 –32	52⅜	86.4	4,564	7.20	7	2.10	4.0
654	*	Golden State Foods	61.1	19½– 8⅝	14½	1.0	14	3.04	5	0.30	2.1
655	735	Detroit Edison	60.9	18 – 8⅝	12⅞	73.8	950	1.97	7	1.60	12.4
656	616	Florida Power & Lt	60.5	29⅝–15⅜	24⅞	40.4	1,006	4.06	6	2.40	9.6
657	537	New England Electric	60.4	24⅛–13	20⅛	21.3	431	3.56	6	2.36	11.7
658	674	Giant	60.3	28 –14⅛	23⅛	5.1	118	5.84	4	1.88	8.1
659	863	Clark Equipment	60.3	46½–22⅜	36⅞	13.1	485	7.98	5	2.20	6.0
660	321	Univar	59.7	15⅛– 5⅝	10⅛	6.5	66	1.83	6	0.56	5.5
661	625	Columbia Gas System	59.3	40 –21⅛	35⅛	32.6	1,148	4.23	8	2.44	6.9
662	561	Georgia-Pacific	59.1	37⅜–15½	24½	98.4	2,411	3.18	8	1.20	4.9
663	587	Duke Power	58.8	23½–10⅝	16⅞	78.4	1,322	2.85	6	1.92	11.4
664	547	General Tel & Elec	58.5	33½–16⅞	26⅛	145.3	3,806	4.14	6	2.72	10.2
665	637	Hammermill Paper	58.3	26⅞–12⅛	19	7.6	144	4.06	5	1.50	7.9
666	708	Hart Schaffner & Marx	58.2	16 – 5½	10⅞	8.4	91	2.32	5	0.88	8.1
667	192	Westmoreland Coal	58.0	65¼–18⅛	27¾	6.8	189	1.18	24	1.60	5.8
668	894	Newmont Mining	57.9	33⅜–15½	30	25.0	749	5.20	6	1.30	4.3
669	483	Amstar	57.6	26⅛–12⅜	20	8.9	179	2.54	8	1.35	6.8
670	671	ENSERCH	57.1	28 –13⅜	27½	29.6	815	2.51	11	1.56	5.7
670	621	So Carolina E & G	57.1	21 – 9⅝	15⅛	23.6	357	1.84	8	1.68	11.1
672	346	May Dept Stores	56.9	36 –14⅜	22⅞	22.6	514	4.25	5	1.40	6.2
673	602	BankAmerica Corp	56.9	30⅝–15⅝	25	146.3	3,658	3.92	6	1.32	5.3
674	427	West Point-Pepperell	56.7	42½–18⅜	29⅝	4.6	135	5.66	5	2.80	9.5
675	880	Crown Zellerbach	56.5	49 –24⅛	37⅝	25.4	950	5.68	7	2.10	5.6
676	611	Genuine Parts	56.3	28⅝–15½	24⅛	27.6	682	2.25	11	0.88	3.6
677	455	AmeriTrust Corp	56.0	38 –21	32½	9.2	299	5.94	5	2.40	7.4
678	555	Continental Corp	55.9	29⅝–16½	26½	53.6	1,420	5.37	5	2.08	7.5
679	830	AMF	55.1	24⅝– 9⅝	15⅛	20.3	307	2.56	6	1.24	8.2
680	632	Niagara Mohawk Power	54.7	17¼– 8⅛	12⅜	66.8	827	2.03	6	1.44	11.6
681	647	Laclede Gas	54.6	24⅛–12⅜	19⅛	4.4	83	3.75	5	1.86	9.7
682	846	McLean Trucking	54.3	28⅝– 8	12⅛	5.6	69	0.96	13	0.64	5.2
683	371	Pullman	53.9	48 –23	39⅝	11.0	437	5.30	7	1.80	4.5
684	772	Clorox	53.9	15⅞– 6⅛	10	23.0	230	1.70	6	0.76	7.6
685	559	Mellon National Corp	53.7	31⅞–18⅜	28⅛	19.6	554	4.75	6	1.84	6.5
686	815	Northwest Bancorp	53.7	29¼–17	25¾	25.7	663	3.92	7	1.32	5.1
687	595	Utah Power & Light	53.5	23⅛–11⅝	17¾	35.1	623	1.97	9	1.76	9.9
688	999	Commonwealth Oil Rfg	53.3	12⅝– 1	8⅝	15.0	129	1.12	8	none	0.0
689	844	Hobart	53.3	28 –11⅛	17⅝	11.4	201	2.48	7	1.20	6.8
690	941	Nashua	53.2	38 – 9	27⅝	4.6	127	5.60	5	1.50	5.5
691	776	Masco	52.9	31⅛–15	22⅜	25.5	581	2.69	8	0.60	2.6
692	884	McCormick & Co	52.6	25⅝–11⅞	18½	11.4	210	1.56	12	0.56	3.0
693	799	AMP	52.4	40⅞–23⅛	36⅝	36.2	1,315	3.23	11	0.76	2.1
694	490	Liggett Group	52.0	41⅛–25⅝	38⅜	8.4	322	6.63	6	2.50	6.5
695	818	Purolator	51.8	45½–17⅝	26	4.5	116	3.88	7	1.36	5.2
696	783	Southeast Banking	51.8	17 – 9⅛	13½	12.3	167	2.67	5	0.80	5.9
697	832	Texas Commerce Bshs	51.8	45⅝–28⅛	42½	14.4	611	5.40	8	1.60	3.8
698	195	CBS	51.4	64⅛–28⅞	46⅝	27.8	1,269	6.96	7	2.80	6.0
699	824	ACF Industries	51.1	39⅝–22⅛	33⅛	8.8	291	5.51	6	2.24	6.7
700	549	Equifax	51.0	30⅛–13⅛	19⅝	3.3	65	3.28	6	2.20	11.2
701	415	Lane Bryant	50.8	23½– 8⅛	12⅛	4.7	58	1.98	6	1.00	8.2
702	507	Atlanta Gas Light	50.7	17⅛– 9½	14⅛	4.5	64	2.61	5	1.44	10.2
703	117	Brockway Glass	50.6	24⅝– 8½	13⅜	7.4	101	1.07	13	1.08	7.9
704	218	Hannaford Bros	50.4	16⅛– 7¼	11	1.3	14	2.53	4	0.88	8.0
705	782	Rohr Industries	50.0	19⅞– 4	12⅛	5.1	66	3.32	4	none	0.0
706	738	Household Finance	49.5	22⅛–11⅞	17⅝	46.1	808	3.88	4	1.55	8.9
707	432	Marsh & McLennan Cos	49.4	72⅛–41	65⅞	13.9	916	5.76	11	3.60	5.5
708	609	Central Tel & Utils	49.2	28⅜–16½	24⅝	24.1	593	3.27	8	1.84	7.5
709	557	Baltimore Gas & Elec	49.2	28⅛–15⅛	22⅜	31.1	696	3.51	6	2.44	10.9
710	786	Northeast Utilities	49.0	12⅜– 6⅝	9½	66.2	629	1.36	7	1.10	11.6

*Not ranked last year.
def deficit.

Who's Where in the Stock Market

Five-Year Change in Consumer Price Index: 45.0%

Rank 79	Rank 78	Company	5-year price change	1975-79 price range	recent price	shares outstanding (millions)	total market value (millions)	latest 12-month earnings per share	price/earnings ratio	indicated annual dividend	current yield
711	495	National Fuel Gas	49.8%	31 –18⅛	27	5.1	$ 138	$ 4.51	6	$2.54	9.4%
712	608*	Olympia Brewing	48.6	60¼– 9¼	13⅜	2.6	35	2.64	5	0.90	6.7
713	510	Norton Simon	48.4	23 – 9⅝	14⅝	48.4	708	2.59	6	1.04	7.1
714	706	Illinois Tool Works	48.2	30 –17	25	12.2	306	3.45	7	1.00	4.0
715	727	Allied Products	48.1	22⅛– 9	19⅛	1.8	35	2.06	9	0.60	3.1
716	589	Pacific Lighting	47.8	23⅞–14⅝	21⅛	24.0	511	3.87	5	2.24	10.5
717	575	United Telecom	47.5	21½–12½	18⅝	64.8	1,207	2.72	7	1.52	8.2
718	936	Masonite	47.5	30⅞–14⅞	25⅝	14.6	373	3.49	7	1.20	4.7
719	342	Nash Finch	47.4	16 – 9	14	3.5	49	3.34	4	1.11	7.9
720	838	Richardson-Merrell	46.9	31 –13⅞	23⅞	23.3	557	3.43	7	1.20	5.0
721	604	IBM	46.7	80½–39⅝	61⅝	583.5	35,959	5.16	12	3.44	5.6
722	828	Square D	46.6	29⅞–14⅜	21⅛	23.9	507	3.10	7	1.60	7.5
723	715	Wetterau	46.5	16½– 8⅜	11⅛	7.4	85	1.77	6	0.70	6.1
724	458	American Cyanamid	46.4	32⅞–20⅜	30⅜	47.8	1,452	3.49	9	1.60	5.3
725	600	Sunbeam	45.7	28⅛–11⅝	17⅛	14.9	255	3.42	5	1.50	8.8
726	464	R R Donnelley & Sons	45.7	33¾–17¼	27½	18.5	510	3.28	8	1.00	3.6
727	515	H J Heinz	45.6	44¼–25⅝	37⅛	22.4	830	5.48	7	2.20	5.9
728	492	Briggs & Stratton	45.6	33⅜–18⅛	26⅜	14.5	387	3.32	8	1.46	5.5
729	686	B F Goodrich	45.4	33⅜–13¼	19⅝	16.4	322	5.23	4	1.44	7.3
730	717	Echlin Manufacturing	45.4	21½– 8⅝	15⅝	15.9	249	1.50	10	0.44	2.8
731	995	American Greetings	45.2	15⅞– 6⅜	11¼	13.7	154	1.76	6	0.52	4.6
732	486	Braniff Intl	45.0	18⅜– 5	7¼	20.0	145	0.86	8	0.20	2.8
733	945	IU International	44.9	15⅛– 8⅛	12½	31.0	387	0.22	57	0.95	7.6
734	601	Arizona Public Service	44.8	21⅜–11⅞	17⅜	35.5	616	2.74	6	2.00	11.5
735	817	Gulf Resources & Chem	44.7	25⅜– 8⅛	17	7.1	121	1.68	10	0.32	1.9
736	461	UAL	44.6	45⅜–13⅜	20¼	29.5	598	–1.54	def	1.00	4.9
737	494	Intl Minerals & Chem	43.9	61½–30⅞	55⅛	17.9	997	7.23	8	3.00	5.4
738	641	Bank of New York	43.8	43¼–24½	34⅞	6.3	220	7.28	5	2.72	7.8
739	622	INA	43.6	49¼–28	44⅞	25.3	1,135	9.25	5	3.00	6.7
740	429	Southern Calif Edison	43.6	27⅜–16⅜	25⅛	63.5	1,596	4.56	6	2.72	10.8
741	442	National Tea	43.5	7¼– 2⅜	4⅛	10.0	41	0.78	5	none	0.0
742	670	VF Corp	43.1	28¾–13⅞	20⅜	10.0	207	3.70	6	1.60	7.7
743	618	Joy Manufacturing	42.9	50⅞–21⅛	31	13.0	403	3.82	8	1.72	5.5
744	731	Monsanto	42.3	100 –41	58	36.0	2,088	10.02	6	3.40	5.9
745	938	Heublein	42.2	59¼–20½	28⅛	21.2	608	3.35	9	1.66	5.8
746	459	Armco	42.1	27½–14⅞	22⅛	44.2	994	5.09	4	1.50	6.7
746	596	Beatrice Foods	42.1	28½–14⅛	20¼	96.3	1,951	2.68	8	1.20	5.9
746	823	Pueblo International	42.1	8⅝– 2⅛	3⅜	4.5	15	0.89	4	none	0.0
749	361	Armstrong Rubber	41.8	34¾–10½	17⅜	1.7	30	4.39	4	1.20	6.9
750	726	Royal Crown Cos	41.7	23⅜– 8⅞	12⅜	8.2	104	0.77	17	1.04	8.2
751	836	Burlington Northern	41.6	65 –28⅜	56⅝	12.6	711	10.87	5	2.10	3.7
751	777	St Regis Paper	41.6	50½–19½	27¼	32.2	877	4.82	6	2.00	7.3
753	802	Texaco	41.3	32⅛–21⅛	29½	271.4	8,008	5.44	5	2.16	7.3
754	560	Kaiser Steel	41.2	47½–17⅝	30	7.0	210	7.65	4	none	0.0
755	506	Philip Morris	41.2	38⅝–20½	33⅞	124.5	4,218	3.93	9	1.25	3.7
756	813	Continental Tel	40.7	17⅞–10	14¼	50.4	718	2.14	7	1.36	9.5
756	118	Foodarama Supermkts	40.7	10 – 3⅛	4⅜	1.3	6	1.32	4	none	0.0
758	820	Motorola	40.7	59 –33⅝	48	31.1	1,493	4.88	10	1.40	2.9
759	775	Greyhound	40.2	17⅝–10½	14⅜	43.9	632	2.49	6	1.04	7.2
760	925	Hanna Mining	40.0	60½–24½	35	8.9	311	6.08	6	2.00	5.7
761	660	Long Island Lighting	39.5	20⅜–10⅜	14⅛	59.9	846	2.46	6	1.78	12.6
762	718	Delmarva Power & Lt	39.2	15 – 9	12⅞	23.9	307	1.85	7	1.38	10.7
763	811	McDonald's	39.2	66 –26¼	40⅞	40.2	1,643	4.53	9	0.56	1.4
764	834	General Electric	39.0	59¼–32⅜	46⅜	226.5	10,504	6.11	8	2.80	6.0
765	433	Bristol-Myers	38.5	41⅞–23¼	34⅜	65.4	2,265	3.41	10	1.44	4.2
766	939	Sybron	38.4	24⅜–12½	17⅛	9.5	163	2.11	8	1.08	6.3
767	695	Warnaco	38.3	13¼– 5⅛	9⅝	3.9	38	2.79	4	0.60	6.1
768	744	Philadelphia Natl	38.2	35 –20⅝	28½	5.8	166	6.68	4	2.64	9.3
769	476	Alexander & Baldwin	38.1	28⅛–12⅝	23⅛	9.1	209	2.68	9	1.30	5.6
770	666	N Y State Elec & Gas	37.7	21⅜–11⅛	15⅜	25.9	398	2.63	6	1.76	11.4
771	697	No States Power	37.5	30½–15⅞	22	30.2	665	3.52	6	2.28	10.4
772	819	Avon Products	37.4	63 –27⅞	39⅜	60.1	2,376	4.17	9	2.80	7.1
773	873	Carter Hawley Hale	37.1	26⅞–13¼	18	24.7	444	2.56	7	1.10	6.1
774	313	Pittston	37.1	47 –16	23⅜	37.5	898	1.94	12	1.20	5.1
775	447	Amfac	36.8	25¼–13	21⅝	12.4	266	4.53	5	1.20	5.6

*Not ranked last year

def deficit.

Who's Where in the Stock Market

Five-Year Change in Consumer Price Index: 46.0%

Rank 79	Rank 78	Company	5-year price change	1975-79 price range	recent price	shares outstanding (millions)	total market value (millions)	latest 12-month earnings per share	price/earnings ratio	indicated annual dividend	current yield
776	709	Maytag	36.6%	39 –19⅜	26⅛	13.3	$ 349	$ 3.20	8	$2.15	8.2%
777	584	Western Air Lines	36.2	14⅛– 5⅞	8	13.0	104	2.09	4	0.40	5.0
778	*	Kentucky Utilities	36.1	25¼–13⅛	18⅜	9.7	178	2.86	6	2.04	11.1
779	658	San Diego Gas & Elec	35.8	16⅜–10	13⅝	30.9	424	1.63	8	1.52	11.1
780	792	Baxter Travenol Labs	35.8	51⅜–28⅛	46½	33.8	1,573	3.30	14	0.50	1.1
781	835	Mercantile Stores	35.7	64½–28½	39	5.9	230	7.04	6	1.00	2.6
782	*	Deluxe Check Printers	35.1	36½–20⅜	32⅜	11.4	375	3.13	10	1.32	4.0
783	921	Envirotech	35.0	42⅝– 8⅝	13½	4.5	61	1.23	11	1.00	7.4
784	674	Va Electric & Power	34.9	15⅛– 8⅛	11⅛	85.9	956	1.70	7	1.40	12.6
785	534	Lubrizol	34.7	59⅝–27⅛	52⅞	19.8	1,047	4.37	12	1.60	3.0
786	690	Jewel Companies	34.5	27 –16⅞	23⅜	11.2	261	4.12	6	1.68	7.2
787	470	Southwestern Pub Svc	34.3	16 – 9⅝	12⅛	25.9	318	1.50	8	1.28	10.4
788	829	Emerson Electric	34.2	41½–23½	32⅞	58.8	1,932	3.37	10	1.60	4.9
789	409	Air Prods & Chems	33.8	40⅝–21	30⅛	28.3	855	3.45	9	0.80	2.6
789	729	G C Murphy	33.8	23⅜–10⅛	13⅜	3.9	53	1.31	10	1.28	9.6
791	979	GATX	33.3	46 –22⅛	36	12.0	432	5.44	7	2.00	5.6
791	957	Hoover Co	33.3	19⅝– 8⅞	12	12.1	145	3.07	4	0.92	7.7
793	848	St Paul Companies	33.0	41⅜–22⅜	37⅛	21.0	781	7.51	5	2.00	5.4
794	634	Winn-Dixie Stores	32.7	34⅛–20⅞	27⅜	26.9	736	3.38	8	1.68	6.1
795	756	Southern Company	31.9	18 – 8½	11⅜	144.9	1,649	1.36	8	1.54	13.5
796	849	Texas Instruments	31.7	129⅝–61	89¼	22.8	2,032	7.29	12	2.00	2.2
797	841	Kane-Miller	31.5	13⅛– 5⅛	7⅝	3.7	29	0.23	33	0.28	3.7
798	831	Pacific Pwr & Lt	31.3	24⅛–14⅜	18⅜	37.6	692	2.40	8	1.92	10.4
799	491	GAF	31.0	17⅝– 7⅛	9½	13.3	126	2.06	5	0.68	7.2
800	*	Minnesota Gas	31.0	25⅛–16⅛	21⅛	4.0	83	4.37	5	1.94	9.2
801	617	Scott Paper	30.7	24⅛–12	16½	38.9	642	3.58	5	0.92	5.6
802	947	Chase Manhattan	30.6	43⅞–24⅜	35¼	32.1	1,130	8.31	4	2.40	6.8
803	736	Boston Edison	30.1	28⅜–15½	20	13.5	271	3.51	6	2.44	12.2
804	201	Jim Walter	29.4	44⅛–22⅜	29⅜	15.9	474	5.65	5	1.80	6.1
805	843	E I du Pont	29.3	53⅜–29	39⅝	144.7	5,752	6.52	6	2.75	6.9
806	896	Coca-Cola Bottling NY	29.0	10½– 4⅛	6⅛	19.3	119	0.71	9	0.44	7.2
807	801	Central Illinois Lt	28.9	19⅜–11⅛	14½	10.5	152	2.39	6	1.70	11.7
808	325	Pioneer Hi-Bred Intl	28.7	25⅜–15	23⅜	15.9	372	2.47	9	0.84	3.6
809	644	Delta Air Lines	28.6	58 –25⅜	37⅝	19.9	748	5.86	6	1.20	3.2
810	899	Southern Pacific	27.8	38⅛–24⅞	33⅜	26.9	899	6.56	5	2.60	7.8
811	733	Phila Electric	27.6	21¼–11⅛	13⅞	81.8	1,135	1.92	7	1.80	13.0
812	204	Interlake	27.5	42½–18	24⅛	6.0	144	5.81	4	2.20	9.1
813	808	Polaroid	27.5	60⅛–15	23⅜	32.9	780	1.54	15	1.00	4.2
814	798	Ohio Edison	27.4	21½–12⅛	15⅛	58.7	888	1.56	10	1.76	11.6
815	773	Central Ill Pub Svc	27.0	16⅛– 9⅝	11⅜	23.5	276	1.96	6	1.36	11.6
816	*	Wisconsin Pwr & Lt	27.0	23 –14⅛	17⅝	11.1	195	2.53	7	1.84	10.4
817	540	Kraft	26.9	51 –34	44⅛	27.9	1,236	7.35	6	3.20	7.2
818	755	Gamble-Skogmo	26.6	39⅛–19⅛	25	4.0	101	5.23	5	1.50	6.0
819	729	Brunswick	26.4	18⅜– 9	11⅜	20.0	227	2.25	5	0.80	7.0
820	573	J P Stevens	26.4	24⅛– 9⅝	13½	12.9	174	3.38	4	1.20	8.9
821	636	Union Electric	26.3	16⅜– 9⅝	12	52.4	629	1.76	7	1.44	12.0
822	354	Bankers Trust NY	26.2	48⅛–25⅝	39⅛	10.8	429	8.61	5	3.30	8.3
823	662	Houston Industries	26.0	36⅛–18	28½	35.6	1,016	4.90	6	2.36	8.3
824	814	Signode	25.9	42¾–25½	33⅜	7.9	263	5.52	6	1.72	5.2
825	667	Kellwood	25.9	23⅛– 6⅞	8½	3.5	29	–0.41	def	0.80	9.4
826	640	National-Standard	25.8	23⅞–11⅛	14	4.1	58	3.14	4	1.24	8.9
827	536	Wisconsin Gas	25.7‡	25⅛–15½	21⅜	4.1	87	3.60	6	2.04	9.5
828	897	Central Soya	25.0	18 –10	12½	14.4	180	2.23	6	0.84	6.7
828	651	First Intl Bshs	25.0	42⅛–27¼	35	19.8	693	4.63	8	1.50	4.3
830	705	Southern Railway	24.6	62⅛–40	53⅛	15.1	805	10.27	5	3.20	6.0
831	880	Squibb	24.4	41½–21⅜	35⅝	45.5	1,628	2.64	14	1.14	3.2
832	994	Tesoro Petroleum	24.1	20⅝– 6⅝	18	12.3	222	4.08	4	none	0.0
833	*	Kansas City Pwr & Lt	24.0	32⅜–18⅞	23⅜	11.6	270	3.36	7	2.66	11.4
834	627	Pac Gamble Robinson	23.8	27 –15	18⅜	1.9	35	3.53	5	1.50	8.1
835	543	Am Natural Resources	23.6	47½–29⅜	43⅞	22.1	968	4.35	10	3.20	7.3
836	880	American Petrofina	23.4	38⅜–22⅜	35	10.7	376	8.03	4	2.50	7.1
837	525	Esmark	23.3	42 –19⅜	27½	20.2	556	4.27	6	1.84	6.7
838	535	Kellogg	23.0	28⅛–14	18⅜	76.4	1,433	2.08	9	1.32	7.0
839	923	Hiram Walker	22.9	44⅛–22⅞	43⅜	17.2	751	5.63	8	2.80	6.4
840	593	Fairmont Foods	22.9	17 – 8	10⅜	4.4	47	1.07	10	0.76	7.1

*Not ranked last year. ‡Four-year price change.

def deficit.

Who's Where in the Stock Market

Five-Year Change in Consumer Price Index: 45.0%

Rank 79	78	Company	5-year price change	1975-79 price range	recent price	shares outstanding (millions)	total market value (millions)	latest 12-month earnings per share	price/earnings ratio	indicated annual dividend	current yield
841	558	Potomac Elec Power	22.8%	16⅝–10	12⅛	41.1	$ 498	$ 1.68	7	$1.40	11.5%
842	885	Whirlpool	22.7	34⅝–15⅛	18⅛	36.2	660	2.82	6	1.40	7.7
843	778	American Elec Power	22.6	25¾–14⅜	17⅝	119.9	2,113	2.24	8	2.22	12.6
844	473	Borden	22.2	36⅝–20⅛	24⅝	31.1	770	4.38	6	1.82	7.4
845	638	So New England Tel	21.9	41 –28⅛	34⅛	12.2	418	5.62	6	3.60	10.5
846	769	Allegheny Power	21.6	22⅝–12⅞	15½	39.7	615	2.31	7	1.80	11.6
847	985	Coca-Cola	21.2	47⅝–26⅝	32⅛	123.6	3,969	3.34	10	1.96	6.1
848	795	Norfolk & Western Ry	20.9	37 –20	24⅜	31.2	761	5.67	4	1.92	7.9
849	424	R J Reynolds Inds	20.5	35⅝–24⅛	31⅜	101.1	3,190	[illegible]	6	2.10	6.7
850	613	General Mills	20.4	35⅝–20¼	24⅝	50.3	1,225	2.91	8	1.32	5.4
851	746	Chemical New York	20.2	47⅛–26	35	14.9	522	8.06	4	3.16	9.0
852	508	American Tel & Tel	19.9	65⅝–44¾	53½	686.7	36,736	7.95	7	5.00	9.3
853	400	Johns-Manville	19.9	38¼–19	23⅜	22.0	515	4.77	5	1.92	8.2
854	842	Pfizer	19.8	39¾–23⅝	39⅝	73.0	2,874	3.24	12	1.32	3.4
855	651	Pa Power & Light	19.5	25⅛–15⅜	18⅜	39.9	733	3.37	5	2.04	11.1
856	719	Longs Drug Stores	19.2	41½–20⅝	26	10.5	273	2.43	11	0.76	2.9
857	793	Duquesne Light	19.0	21¼–12⅛	14⅛	31.8	448	1.56	9	1.80	12.7
858	748	Manufacturers Hanover	18.9	41⅝–24¼	30⅝	33.2	1,016	6.26	5	2.28	7.4
859	866	Chesebrough-Pond's	18.6	33½–18½	21⅞	32.2	705	2.47	9	1.08	4.9
859	603	Harris Bankcorp	18.6	39⅝–22⅛	26¼	6.8	178	4.25	6	2.00	7.6
861	789	J Ray McDermott	18.4	31½–14⅞	23⅜	32.2	766	0.13	—	1.20	5.1
862	610	MAPCO	18.3	50⅛–26¼	33⅛	18.8	624	3.71	9	1.40	4.2
863	900	Amer Hospital Supply	18.0	38½–22	30⅜	37.3	1,134	2.69	11	0.80	2.6
864	950	Flockbeck & Moore	17.8	39 –19⅝	23⅛	3.3	77	3.93	6	1.40	6.1
865	503	Owens-Illinois	17.8	31⅝–16	19⅞	28.4	565	4.39	5	1.26	6.3
866	412	American Can	17.2	43¾–28	34	19.3	657	6.48	5	2.80	8.2
867	727	Genesco	16.7	9 – 2⅞	3⅛	12.6	44	0.54	6	none	0.0
868	650	Public Service Indiana	16.5	31⅞–19⅞	23	29.6	681	3.75	6	2.32	10.1
869	887	Chubb	16.4	46¼–26	37⅛	12.4	462	7.60	5	2.40	6.4
870	752	Cincinnati G & E	16.4	25⅞–14⅜	16⅞	26.8	453	2.67	6	1.96	11.6
871	995	Marine Midland Banks	16.2	20⅝– 8⅜	17	12.5	212	2.80	6	0.80	4.7
872	926	Akzona	15.9	25¾–10½	11⅞	12.2	165	1.98	6	0.80	6.7
873	477	Ford Motor	15.6	51⅞–25⅞	30⅞	120.1	3,708	12.45	2	4.00	13.0
874	836	Scot Lad Foods	15.6	9½– 3½	4⅜	4.3	21	0.78	6	0.05	1.1
875	909	Champion Spark Plug	15.3	14⅝– 9	10⅜	38.1	396	1.49	7	0.80	7.7
876	987	Seagram	15.2	42¼–19⅝	37	35.1	1,298	3.06	12	1.10	3.0
877	686	Pacific Gas & Elec	14.9	25½–18⅛	23⅛	113.0	2,613	3.81	6	2.44	10.6
878	882	Bucyrus-Erie	14.7	30¼–14	19½	20.4	398	2.93	7	0.88	4.5
879	975	Xerox	14.6	87⅝–40½	59	80.5	4,752	6.62	9	2.40	4.1
880	970	G D Searle	14.6	25¾–10⅝	15¾	52.6	829	1.57	10	0.52	3.3
881	354	Reichhold Chemicals	14.5	20⅝–10	11⅞	6.9	82	1.01	12	0.74	6.2
882	682	Marshall Field	13.7	35¼–15½	18⅝	10.3	191	2:24	8	1.24	6.7
883	913	First Natl Boston	13.7	33½–19	28	12.3	345	6.51	4	2.20	7.9
884	785	Lukens Steel	13.3	19 –10⅛	12⅜	5.2	66	1.51	8	0.96	7.5
885	811	Dayton Power & Light	13.3	22⅝–12	13⅞	23.4	324	1.94	7	1.74	12.5
886	826	Toledo Edison	12.4	27⅞–16⅝	18⅛	17.8	324	2.83	6	2.20	12.1
887	612	Republic Steel	12.2	40⅝–21⅛	25⅛	16.2	409	9.28	3	2.35	9.3
888	878	American Express	11.5	45 –24¾	29	71.3	2,067	4.80	6	1.80	6.2
889	981	Penn-Dixie Inds	10.3	6⅞– 2⅜	3⅞	5.3	21	0.74	5	none	0.0
890	918	First Bank System	9.8	48⅜–33⅜	36½	15.0	546	6.83	5	2.04	5.6
891	968	Fedders	8.7	9⅞– 2⅞	3⅛	11.1	35	–0.49	def	none	0.0
892	766	Becton, Dickinson	8.6	42⅞–25½	29⅞	19.9	595	3.01	10	0.92	3.1
893	942	Quaker State Oil	8.5	21 –10⅝	14⅜	21.7	328	1.65	9	0.80	5.4
894	716	Dow Chemical	7.7	57⅛–22	29⅝	181.4	5,375	4.01	7	1.60	5.4
895	23	Itel	7.7	37½– 3¼	3½	11.7	41	–3.51	def	none	0.0
896	919	CPS Continental	7.6	18⅝– 7	8⅞	5.3	47	1.52	6	0.34	3.8
896	*	Kansas Power & Light	7.6	23⅝–15⅛	17⅜	12.6	224	2.79	6	1.96	11.0
898	682	Public Service Colo	7.2	20¼–12¼	13	32.1	417	1.40	9	1.60	12.3
899	929	Great Atl & Pac Tea	6.8	15⅝– 5	7⅞	24.9	196	–1.18	def	none	0.0
900	890	Emery Air Freight	6.7	28¾–13⅜	17⅞	15.7	281	1.51	12	1.00	5.6
901	*	Louisville Gas & Elec	6.6	27⅞–17⅛	18⅛	10.3	187	2.27	8	2.06	11.4
902	740	Illinois Power	6.6	28⅝–17⅛	18¼	28.8	528	2.64	7	2.28	12.5
903	*	Amdahl	6.5†	71½–11⅛	20⅝	13.4	277	1.89	11	0.40	1.9
904	762	General Reinsurance	6.4	104 –64½	92	10.9	1,003	11.27	8	2.00	2.2
905	912	Texasgulf	6.3	37⅝–15⅛	27½	31.6	869	2.85	10	1.20	4.4

*Not ranked last year. †Three year price change.

def deficit.

Who's Where in the Stock Market

Five-Year Change in Consumer Price Index: 48.0%

Rank 79	Rank 78	Company	5-year price change	1975-79 price range	recent price	shares outstanding (millions)	total market value (millions)	latest 12-month earnings per share	price/ earnings ratio	indicated annual dividend	current yield
906	837	Minn Mining & Mfg	6.2%	68 –43	49	117.6	$5,760	$ 5.42	9	$2.40	4.9%
907	868	K mart	6.2	43¼–20⅝	23½	122.8	2,887	2.96	8	0.84	3.6
908	794	Burlington Inds	5.9	34 –14⅞	15⅝	28.0	437	2.73	6	1.40	9.0
909	569	M Lowenstein	5.6	19⅞– 8⅞	9⅝	3.3	32	0.47	20	none	0.0
910	892	Weyerhaeuser	5.5	49⅝–20⅛	28⅞	124.7	3,602	4.24	7	1.30	4.5
911	657	Savannah Foods	5.4	21 –13⅛	15⅛	1.9	29	2.75	6	1.40	9.0
912	*	Portland Genl Elec	4.9	21⅛–12⅞	13⅜	31.2	417	1.43	9	1.70	12.7
913	867	Merck	4.7	85⅝–47⅝	69½	75.4	5,238	4.93	14	2.30	3.3
914	905	ARA Services	4.6	60⅝–32⅛	34	9.9	336	5.23	7	1.82	5.4
915	445	Continental Group	3.9	37⅝–22⅝	27	32.7	883	4.17	6	2.40	8.9
916	787	Jefferson-Pilot	3.8	38¼–24⅝	30	22.6	678	4.17	7	1.20	4.0
917	598	Campbell Soup	2.7	39⅝–27⅝	28¼	33.1	935	4.08	7	1.90	6.7
918	790	Cleveland Elec Illum	2.7	23⅝–15½	16	40.7	651	2.36	7	1.92	12.0
919	762	Chessie System	2.3	43⅛–24⅞	27⅜	19.9	545	6.20	4	2.32	8.5
919	538	Northern Trust	2.3	42½–29	32⅝	4.8	157	5.72	6	2.20	6.7
921	954	Black & Decker	2.8	36⅛–14⅛	21⅜	42.0	898	2.25	10	0.68	3.2
922	847	International Paper	1.4	79⅝–34⅜	36¼	47.9	1,738	11.97	3	2.20	6.1
923	783	Gulf States Utils	1.2	15⅜–10⅛	10⅞	38.5	418	1.63	7	1.36	12.5
924	633	Wisconsin Elec Power	1.1	32⅝–22⅛	22⅞	18.7	427	3.78	6	2.38	10.4
925	626	Safeway Stores	1.1	52⅝–34⅛	34⅞	26.1	911	5.92	6	2.60	7.5
926	537	Liquid Air of No Amer	1.0‡	35 –21⅜	24½	10.2	250	2.31	11	1.40	5.7
927	745	Middle South Utils	1.0	17⅞–12⅜	13	85.0	1,105	2.39	5	1.58	12.2
928	864	Mallinckrodt	0.8	52¼–26¼	31	9.4	291	4.31	7	1.20	3.9
929	875	Associated Dry Goods	0.7	40 –15⅝	18	13.5	243	3.16	6	1.50	8.3
930	569	Federated Dept Stores	0.5	60 –25⅝	26	48.3	1,256	4.10	6	1.70	6.5
931	886	Burroughs	0.3	110⅛–54½	75⅝	41.1	3,111	6.95	11	2.20	2.9
932	976	CBI Industries	–0.4	45¼–21	33⅝	18.2	612	2.83	12	1.20	3.6
933	885	Gillette	–0.5	38⅞–21¼	25¼	30.2	762	3.66	7	1.72	6.8
934	723	Chic Pneumatic Tool	–1.1	35⅜–21½	23¼	4.9	114	4.70	5	2.00	8.6
935	809	Mohasco	–1.5	25 – 7⅞	8½	6.6	56	1.00	9	0.90	10.6
936	877	Trans Union	–3.1	39½–24¼	31	12.1	375	4.32	7	2.36	7.6
937	669	Outboard Marine	–3.4	36½–10⅝	10¾	8.4	90	2.00	5	0.70	6.5
938	840	Avondale Mills	–3.8	29¼–16	16	2.0	33	1.24	13	1.20	7.5
939	998	Citizens & Southern NB	–4.0	8 – 4	6	28.8	173	0.64	9	0.24	4.0
939	769	Pamida	–4.0	9⅝– 2⅞	3	9.3	28	–0.03	def	none	0.0
941	845	Lowe's Companies	–4.1	33⅝–16⅛	17¾	13.0	231	1.85	10	0.50	2.8
942	803	Goldblatt Brothers	–4.6	6½– 2⅛	2⅝	3.0	8	–0.52	def	none	0.0
943	788	Ceco	–5.1	1[illegible]⅝– 9⅛	11⅝	3.3	38	3.42	3	0.75	6.5
944	827	Fisher Foods	–5.3	[illegible]⅝– 7⅛	9	6.2	56	–0.25	def	0.40	4.4
945	774	No Indiana Pub Svc	–5.3	2[illegible]¼–13	13⅜	32.7	438	1.90	7	1.50	11.2
946	529	Inland Steel	–5.5	5[illegible]–29¼	30¼	20.5	619	7.42	4	2.80	9.3
947	874	Roadway Express	–5.5	48⅛–21½	24¾	19.6	486	2.63	9	0.80	3.2
948	741	Commonwealth Edison	–5.6	32⅝–19⅞	21	86.5	1,817	2.99	7	2.60	12.4
949	914	Economics Laboratory	–6.3	35 –18⅞	22½	13.5	303	2.30	10	1.04	4.6
950	722	Seaboard Coast Line	–6.6	39⅛–17⅞	26⅝	14.6	390	8.10	3	2.20	8.3
951	639	Union Carbide	–6.7	76⅛–33⅝	38⅝	65.6	2,535	8.45	5	3.00	7.8
952	624	Goodyear	–6.8	28⅝–11⅞	12	71.6	859	2.28	5	1.30	10.8
953	973	Rohm & Haas	–7.6	86½–28	42⅞	12.9	553	7.00	6	2.00	4.7
954	960	Zenith Radio	–8.5	40⅝– 9¼	9⅜	18.8	177	1.14	8	0.60	6.4
955	833	Wheeling-Pitts Steel	–9.9	31⅞– 8	16	3.8	61	14.09	1	none	0.0
956	991	Intl Foodservice	–10.0	3⅝– 1	1⅛	3.0	3	–3.22	def	none	0.0
957	739	Central & South West	–10.2	18⅛–12⅞	13¼	70.8	938	2.28	6	1.42	10.7
958	935	Eli Lilly	–10.3	79¼–32⅝	61	72.9	4,444	4.44	14	2.10	3.4
959	900	Upjohn	–10.4	56 –30	45¾	29.7	1,358	4.87	9	1.72	3.8
960	702	Standard Brands	–11.0	40⅝–21⅛	23⅞	28.2	673	2.94	8	1.48	6.2
961	737	Ralston Purina	–11.4	18⅛–10	11	107.9	1,187	1.19	9	0.58	5.3
962	917	Chrysler	–12.1	22⅝– 6½	6⅜	65.7	419	–10.80	def	none	0.0
963	768	Texas Utilities	–12.3	25⅛–16⅜	18¾	86.3	1,619	2.51	7	1.64	8.7
964	891	J P Morgan & Co	–12.6	71 –39⅝	45⅛	38.7	1,749	7.13	6	2.50	5.5
965	691	Fedl Natl Mortgage	–12.9	19⅞–12	16	57.8	925	3.09	5	1.28	8.0
966	721	Procter & Gamble	–13.2	100⅝–70⅛	70⅝	82.6	5,841	7.22	10	3.40	4.8
967	946	First Chicago Corp	–13.8	27⅛–14⅝	14⅞	39.6	590	3.20	5	1.20	8.1
968	122	Fleetwood Enterprises	–13.9	20⅝– 7	7¾	11.4	88	1.39	6	0.52	6.7
969	978	Inco Ltd	–14.0	37 –13¼	18½	74.8	1,383	0.81	23	0.40	2.2
970	971	Phelps Dodge	–14.5	45⅝–17⅝	25	20.7	517	3.61	7	1.20	4.8

*Not ranked last year. ‡Four-year price change.

def deficit

Who's Where in the Stock Market

Five-Year Change in Consumer Price Index: 45.0%

Rank 79	Rank 78	Company	5-year price change	1975-79 price range	recent price	shares outstanding (millions)	total market value (millions)	latest 12-month earnings per share	price/ earnings ratio	indicated annual dividend	current yield
971	881	Johnson & Johnson	–14.7%	99⅝–62⅛	69	61.1	$4,215	$ 5.64	12	$2.00	2.9%
972	*	Wachovia Corp	–15.9†	23 –15⅛	17⅜	11.9	211	2.72	7	0.86	4.8
973	701	National Steel	–15.9	52¼–27	27⅜	19.3	537	7.43	4	2.60	9.4
974	961	Kerr-McGee	–16.1	95¼–39⅞	60	25.9	1,552	6.17	10	1.55	2.6
975	879	American Home Products	–16.5	43¼–24⅜	27⅜	155.7	4,321	2.44	11	1.60	5.8
976	858	Anheuser-Busch Cos	–16.7	39⅝–17½	20	45.1	903	2.65	8	0.96	4.8
977	672	Carnation	–17.3	41½–21⅞	23¼	37.3	868	3.61	6	1.50	6.5
978	983	Liberty Natl Life	–18.0	30⅜–19⅞	22⅜	19.0	431	3.16	7	1.20	5.3
979	923	Bethlehem Steel	–18.1	48 –18¼	20⅜	43.7	890	7.13	3	1.60	7.9
980	856	Capital Holding Corp	–19.1	28⅜–17⅛	19⅝	28.8	565	2.88	7	1.08	5.5
981	872	LTV	–19.7	19⅝– 5⅛	7⅛	24.3	173	3.80	2	none	0.0
982	969	Hercules	–20.3	38⅞–12¼	19⅛	42.4	811	3.86	5	1.10	5.8
983	977	Williams Companies	–21.5	37⅝–14	25⅝	27.1	695	1.64	16	1.00	3.9
984	987	Avery International	–21.7	38⅛–12⅛	17⅝	9.0	159	2.46	7	0.60	3.4
985	926	Intl Flavors & Frag	–22.2	35⅛–18⅛	19¼	36.7	706	1.67	12	0.80	4.2
986	958	Eastman Kodak	–22.3	120⅝–41⅛	48⅞	161.4	7,888	6.43	8	2.90	5.9
987	808	Sambo's Restaurants	–23.8	27 – 5	5⅞	12.8	75	–3.89	def	none	0.0
988	966	Colonial Penn Group	–24.2	41⅜–18	18¾	16.1	302	4.40	4	1.40	7.5
989	952	Sears, Roebuck	–24.4	39⅝–17⅜	18¼	318.5	5,813	2.71	7	1.28	7.0
990	948	Sterling Drug	–24.6	25½–12⅜	18	60.2	1,084	1.81	10	0.84	4.7
991	992	First Penna Corp	–24.8	22 – 9¼	10¼	15.4	158	1.50	7	0.44	4.3
992	720	Fed-Mart	–25.3	22½–10½	14	2.2	31	–5.54	def	none	0.0
993	860	Oklahoma Gas & Elec	–25.5	25⅛–13⅝	13½	29.7	401	1.27	11	1.60	11.9
994	963	Ingersoll-Rand	–25.9	95½–44¼	49¼	19.0	934	7.18	7	3.16	6.4
995	546	Northwestern Steel	–26.4	46 –22⅜	25⅛	7.5	189	5.10	5	1.80	7.2
996	944	Citicorp	–26.9	39 –18⅞	20⅝	123.0	2,553	4.04	5	1.30	6.3
997	898	Warner-Lambert	–26.9	38½–17⅝	19	79.6	1,512	2.04	9	1.32	6.9
998	980	Food Fair	–27.3	7⅝– 1⅝	3	7.4	22	NA	—	none	0.0
999	747	United States Steel	–27.5	59⅝–18	18⅜	86.1	1,582	4.24	4	1.60	8.7
1000	914	Sherwin-Williams	–28.9	48⅛–19⅝	25¼	4.7	118	1.85	14	0.60	2.4
1001	518	Culbro	–28.9	23⅝– 6⅞	7⅝	3.2	24	–2.22	def	none	0.0
1002	974	J C Penney	–30.0	63¼–24⅞	25⅛	69.1	1,737	3.61	7	1.76	7.0
1003	985	DEKALB AgResearch	–30.1	45⅜–16⅛	25½	12.0	306	2.99	9	0.72	2.8
1004	981	Walter E Heller Intl	–30.3	34 –15½	19⅞	11.7	232	3.27	6	1.20	6.0
1005	990	Singer	–30.4	26 – 7⅝	8	16.6	133	–5.36	def	none	0.0
1006	865	Armstrong Cork	–30.7	32⅞–14⅜	16⅛	25.7	415	2.56	6	1.10	6.8
1007	943	Pabst Brewing	–31.1	34⅜–10⅜	11⅜	8.6	97	1.27	9	0.40	3.5
1008	967	A H Robins	–31.1	15⅜– 8⅛	9⅛	26.1	238	1.06	9	0.40	4.4
1009	955	Kennecott Copper	–31.8	41 –18⅝	24⅝	33.2	817	2.54	10	1.40	5.7
1010	953	Moore Corp	–31.9	51¼–23½	27¾	28.0	778	3.63	8	1.44	5.2
1011	653	General Public Utils	–32.1	21½– 7⅛	7⅛	61.3	437	1.90	4	1.00	14.0
1012	545	Yellow Freight System	–32.9	46 –14¼	14¼	14.3	204	1.85	8	0.76	5.3
1013	696	Kerr Glass Mfg	–33.0‡	22 – 8⅛	8⅞	4.0	35	1.76	5	0.44	5.0
1014	853	White Motor	–33.3	15⅝– 3⅜	5	9.3	47	2.28	2	none	0.0
1015	712	Skyline	–34.4	26 – 9⅛	10⅛	11.2	121	1.04	10	0.48	4.5
1016	951	Massey-Ferguson	–36.1	32¼– 8	8⅝	18.3	157	–8.35	def	none	0.0
1017	731	Firestone	–38.3	26 – 8⅛	8¼	57.7	476	–0.86	def	0.60	7.3
1018	889	Uniroyal	–40.0	11⅛– 3⅛	3⅝	26.6	100	–0.25	def	none	0.0
1019	781	Keystone Consolidated	–40.2	22⅛– 9	9⅛	1.9	17	–0.19	def	none	0.0
1020	918	McLouth Steel	–40.2	23⅜– 7⅝	8	5.5	44	2.95	3	none	0.0
1021	996	Fidelcor	–40.7	27 – 9⅛	11⅛	4.9	55	–1.15	def	0.24	2.2
1022	1002	Jos Schlitz Brewing	–41.7	30⅛– 7⅞	8⅝	29.1	254	–0.24	def	none	0.0
1023	883	Colgate-Palmolive	–42.5	34⅞–13⅜	13⅞	81.9	1,136	2.24	6	1.08	7.8
1024	986	Schering-Plough	–44.8	67¼–26⅛	29	53.6	1,554	4.03	7	1.44	5.0
1025	919	Champion Home	–47.1	6⅝– ⅝	1⅛	35.4	40	–0.03	def	none	0.0
1026	1003	GEICO	–49.5	28⅛– 2⅛	11⅛	14.4	168	3.50	3	0.40	3.4
1027	961	Adolph Coors	–51.5‡	35½–11⅛	12⅜	35.0	434	2.11	6	0.25	2.0
1028	984	United Merch & Mfrs	–55.1	18⅛– 1¼	5½	5.9	33	1.97	3	none	0.0
1029	972	Franklin Mint	–55.1	35⅜– 5⅛	7⅛	8.4	60	1.87	4	0.40	5.6
1030	1001	Allied Supermarkets	–61.1	6 – ⅛	⅞	5.2	5	–6.02	def	none	0.0
1031	1000	Chicago Rock Island	–71.6	9⅛– 1⅛	2⅛	2.9	8	–34.69	def	none	0.0
	*	Cross & Trecker	0.0	25½–14⅛	25	8.2	204	3.22	8	0.80	3.2
	*	First Natl Supermkts	0.0	14 – 4⅛	4⅛	4.1	18	0.86	5	0.02	0.5
	*	Oxford Industries	0.0	12⅝– 7	10½	3.0	31	2.21	5	0.68	6.5
	*	Toys "R" Us	0.0	30½– 8	28⅛	8.9	251	2.13	13	none	0.0

*Not ranked last year. †Three-year price change. ‡Four-year price change.
def deficit. NA Not available.

JANUARY 21, 1980

ONE DOLLAR FIFTY CENTS

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Forbes

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Volume 125, Number 2

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The natural gas industry is well along on the way to decontrol. But will it ever get there?

Will the free market get a chance?

By Howard Rudnitsky with Alyssa A. Lappen

THE NATION HAS ALREADY had a foretaste of what's in store if it heeds the calls from legislators for more government regulation of the oil industry. And a bitter foretaste it is.

A quarter of a century ago, the Federal Power Commission slapped price controls on interstate gas. That left the wellhead price at the time at 10 cents per 1,000 cubic feet. It also kept supply down. Understandably, few producers would spend lots of money to find more natural gas when—more than a decade later—they could only hope to sell it for 16 cents. By the mid-Seventies gas was in short supply, utilities were refusing to accept new customers and many natural-gas-burning industries had to shut down during the winter of 1976-77 so that homeowners wouldn't shiver.

While total energy use in the U.S. grew by 5% between 1972 and 1978, natural gas consumption fell by 15%—the only major fuel to decline. Production fell from a peak of 22.6 trillion cubic feet in 1972 to 19.3 trillion in 1978. Reserves plummeted by 90 trillion cubic feet, or 31%, in the Seventies alone. The result has been that we now are forced to buy gas from countries like Canada at more than $3 per 1,000 cubic feet.

By late 1978 the mess was so obvious that Congress passed the landmark Natural Gas Policy Act, which did away with the two-tier price structure and allowed natural gas prices to rise gradually through 1985, after which controls would be completely lifted.

The result will be a revival for gas producers and utilities that seems likely to extend into the middle of the decade, even if the oil industry, currently America's favorite scapegoat, seems destined to wind up under some kind of utility-type regulation.

The signs of the gas revival are abundant: About a quarter of a million residential users converted from oil to gas in 1979, according to the American Gas Association—an increase of 57% over 1978 that overcame a 14% drop in new housing starts last year and pushed total residential gas usage up slightly. Industrial use rose by more than 14%. Earnings of interstate pipelines grew by 10% to 12% and those of distribution companies increased by 4% to 5%.

Converting oil furnace to gas
Now, some reason to believe.

First Boston's natural gas analyst, R. Gamble Baldwin, believes the wholesale end of the business—natural gas transmission companies—will have overall earnings growth over the next five years of close to 10% a year. The more politically sensitive retailers—gas distribution utilities—will probably grow only about half that fast.

The market acknowledged this last year with a 35% increase in the prices of gas utility shares. Analysts like Baldwin believe the runup is not over. Says Baldwin: "There may be a mild down cycle in 1980. But you can look across that gap and see the government putting increased emphasis on gas to offset oil imports. Over the long term these stocks are going to be good."

For the next few years, gas is one of the few bright spots in the energy situation. Coal has been slow to develop, nuclear energy virtually stopped and the U.S. oil supply hangs by an OPEC thread. The U.S. has been thoroughly explored at relatively shallow levels, but at current prices it pays to delve deeper into the earth—below 15,000 feet, that is. At those depths, there is much more likely to be gas than oil. The prospects of finding large additional reservoirs of oil in the U.S. are fairly slim, but the chances for gas are excellent.

The U.S. already produces about 90% of the gas it uses. That's about 25% of its total energy usage. Proven U.S. gas reserves (excluding Alaska) total about 174 trillion cubic feet—about nine years' supply—while another 200 trillion cubic feet or so lies in unproven but known reserves, about a fifth of it below that 15,000-foot level, where serious drilling has just begun. While the decade-long decline in proven gas reserves continues, the last two years' additions to reserves were the largest since the late Sixties. Some companies, moreover, did spectacularly well in drilling. Houston Natural Gas, for example, which handles over 4% of the country's volume, found twice as much as it sold. Texas Gas Transmission Corp. brought in new finds in the Gulf of Mexico and boosted production from 33 billion cubic feet in 1978 to 42 billion. One of the most aggressive pipeline companies, Houston's Transco Cos., has poured over $790 million into finding some 372 billion cubic feet of new reserves during the Seventies. Transco spent $250 million in 1979 alone, more than four times 1979 earnings.

Has the lesson that the market is a better provider than the government been learned? Not really. Voices are loud in the land for increased regulation, even nationalization, of the oil industry. Even in natural gas, the victory of the free market forces isn't complete.

Drop back to 1954, the year price controls were put on natural gas. From that time on the fuel was so cheap in interstate pipelines that whole industries and many electrical utilities switched to natural gas. When the shortages came in the mid-Seventies, states like Ohio ran out of gas. So in the 1978 deregulation bill, Congress declared its intent that homeowners be given first crack at clean-burning, efficient natural gas. The bill set an incremental pricing policy that, in effect, makes the big industrial users pay a higher price than the small individual users.

That seems reasonable, but it could have unforeseen results. For one thing, this residential preference could penalize gas companies that are heavy on industrial customers and relatively light on home residential customers—for example, Oklahoma Natural Gas, American Natural, Northwest Energy, Houston Natural Gas or Columbia Natural Gas.

But even when there is a balance between industrial or utility customers on the one hand and residential users on the

Gas utility stocks—is the rise over?

Gas utility stocks in 1979 reflected brightening prospects—a few doubled in price. Best performers: intrastate integrated companies, followed closely by the interstate integrated group. Distributors provided 9% to 10% yields.

Is the rise over? In the short run perhaps. But many analysts figure the long-run outlook is still good, particularly because undervalued gas and even oil reserves of many gas companies are expected to grow significantly.

Company (12-month revenues, $ mil)	5-year growth rate revenues	5-year growth rate EPS	Return on equity	Book value	Recent price	52-week price range	Latest 12 months EPS	Price/earnings ratio	Indicated dividend yield
Intrastate									
Integrated and Pipelines									
ENSERCH (2,035)	34.7%	-9.5%	14.3%	$17.62	29¼	30⅝-17	$2.51	12	5.3%
Houston Natural Gas (1,798)	21.7	15.4	22.0	16.25	40½	42 -21¾	3.57	11	2.7
NICOR (1,469)	25.4	12.9	16.4	29.49	31⅞	35¾-26⅜	4.84	7	7.9
Oklahoma Natural Gas (676)	27.6	12.3	16.1	19.21	24⅜	26¾-18	3.10	8	7.4
Pacific Lighting (1,979)	18.5	10.3	14.3	27.03	22⅛	23⅞-19⅜	3.87	6	10.1
Pioneer (660)	24.5	14.3	30.8	9.46	34⅛	35⅞-12¼	2.91	12	3.4
Texas Oil & Gas (900)	37.8	24.7	27.0	16.65	59⅝	65¼-32	4.50	13	0.8
Interstate									
Integrated									
American Natural Resources (2,337)	23.5	4.2	10.3	42.35	47½	48⅛-36	4.35	11	6.7
Arkansas Louisiana (664)	17.5	2.7	18.2	26.87	27½	28¼-15¼	2.44	11	4.5
Columbia Gas (2,643)	17.7	4.3	13.1	32.25	38	40¾-25¼	4.23	9	6.4
Consolidated Natural Gas (1,851)	16.5	14.6	12.4	45.80	41⅝	45 -36	5.68	7	7.8
Entex (719)	49.5	36.6	26.5	8.22	17⅜	19⅝-11⅛	1.99	9	4.6
Peoples Gas (2,442)	27.1	7.4	15.2	34.88	43⅜	44 -31⅜	5.29	8	6.9
Pipelines									
El Paso Co (2,769)	12.9	-19.0	20.8	15.52	20⅜	23¼-15	3.23	6	7.1
Northern Natural Gas (2,262)	17.3	3.7	18.2	41.55	56	57 -33⅜	7.58	7	5.4
Panhandle Eastern (1,829)	25.5	10.0	21.1	42.27	61	66 -37⅞	8.91	7	5.1
Southern Natural Resources (1,367)	19.1	15.3	17.1	30.86	54⅞	55¾-31⅛	5.27	10	2.7
Tenneco (10,446)	15.0	2.6	16.5	31.31	38	41½-29	5.16	7	6.3
Texas Eastern (2,649)	17.5	10.3	19.1	34.38	67¼	69¼-33⅜	6.58	10	4.0
Texas Gas Transmission (1,532)	15.2	6.1	15.8	21.30	26¾	29 -17⅝	3.37	8	5.5
Transco Companies (1,367)	17.0	47.5	14.0	18.31	43⅛	44⅞-19	2.57	17	2.9
United Energy Resources (2,692)	34.5	59.0	26.5	31.53	64	67⅜-32½	8.34	8	3.9
Distributors									
Atlanta Gas Light (547)	20.5	0.6	10.4	25.18	14⅜	17⅛-13⅜	2.61	6	10.0
Brooklyn Union Gas (466)	14.9	9.8	14.5	23.47	22½	25 -18⅝	3.40	7	9.9
Gas Service (405)	18.1	9.3	14.1	18.20	15	16¼-12¾	2.56	6	8.5
Laclede Gas (390)	17.7	7.8	15.0	24.96	19½	23⅝-18	3.75	5	9.5
National Fuel Gas (617)	15.0	8.7	11.7	38.67	28½	31 -25⅛	4.51	6	8.9
Washington Gas Light (345)	16.3	-2.0	5.0	31.72	22⅛	27½-21⅜	1.59	14	10.8
Wisconsin Gas (360)	19.0	7.4	14.0	25.71	21⅜	25⅛-19⅛	3.60	6	9.4

other, there still can be problems. Houston Natural's CEO, Robert R. Herring, puts it this way: "We're under pressure from Washington right now to supply just as much gas as we can to reduce oil imports—while at the same time the deregulation act says that by 1990 we can't be supplying gas to any major boiler [*i.e.*, industrial user]. We're probably selling 25% of all the gas sold in the country to that boiler market now. Without those customers, we're going to be a much more seasonal market."

Seasonality is the curse of any utility; it means idle capacity. Says Herring: "You also wind up varying the take of a well and in many cases you damage it by pulling hard one day and not the next. There are other problems. Take our Gomez Field in West Texas. You've got at least two pipelines that stay inside the state and three that go out. We have to take on an equitable basis from our producer leases. Now as you take equitably from one field, you may have to take even more from him [the other customer] in order to be equitable in your take in these various joint-type fields. It can become incredibly complicated."

Obviously, when a government intervenes in the marketplace, even in a limited way, that interference can have unforeseeable consequences. A modern society can't really go to laissez-faire, but it is certainly an argument for holding regulation to a carefully thought out minimum.

Deregulation in natural gas, moreover, has yet to meet what may be its toughest political test. As deregulation proceeds, prices are going to rise. That is not going to sit well with residential gas users, particularly those who recently converted from other fuels. They will complain, and rate commissions will listen. In 1979, for example, local rate commissions gave Michigan Consolidated, a distribution subsidiary of American Natural Resources, a hard time on rate increases and the subsidiary barely broke even in 1979. In short, the commission forced the distributor to swallow the higher cost of service and maintenance. Mountain Fuel Supply, an intrastate gas utility, too, was squeezed for two years by a stingy Utah Public Service Commission and its earnings took a nose dive. The commission, which had held off granting badly needed rate increases, finally eased up somewhat toward the end of the year.

But, in the same state, governmental control is now rearing its head again. Last May the Utah Supreme Court ruled that Mountain Fuel, which drills for gas out of state, must include its Wexpro oil and gas exploration subsidiary in the overall parent operation, thus putting it under the control of the Utah Public Service Commission. The company has appealed to the U.S. Supreme Court.

In view of all this, chances grow that the heavy hand of government will be felt again by the middle of the decade. According to James L. Ketelsen, chairman of Tenneco Inc., if gas prices continue to rise, "what we could find by 1985 is that people will be unwilling to allow deregulation of new gas."

Again and again the market has proven itself to be the most efficient allocator of resources. Yet the temptation to intervene in the marketplace seems irresistible. People who would go to the barricades to safeguard the snail darter's place in the physical environment seem blind to the ecological role of profit in the equally complex and equally interdependent economic environment. ■

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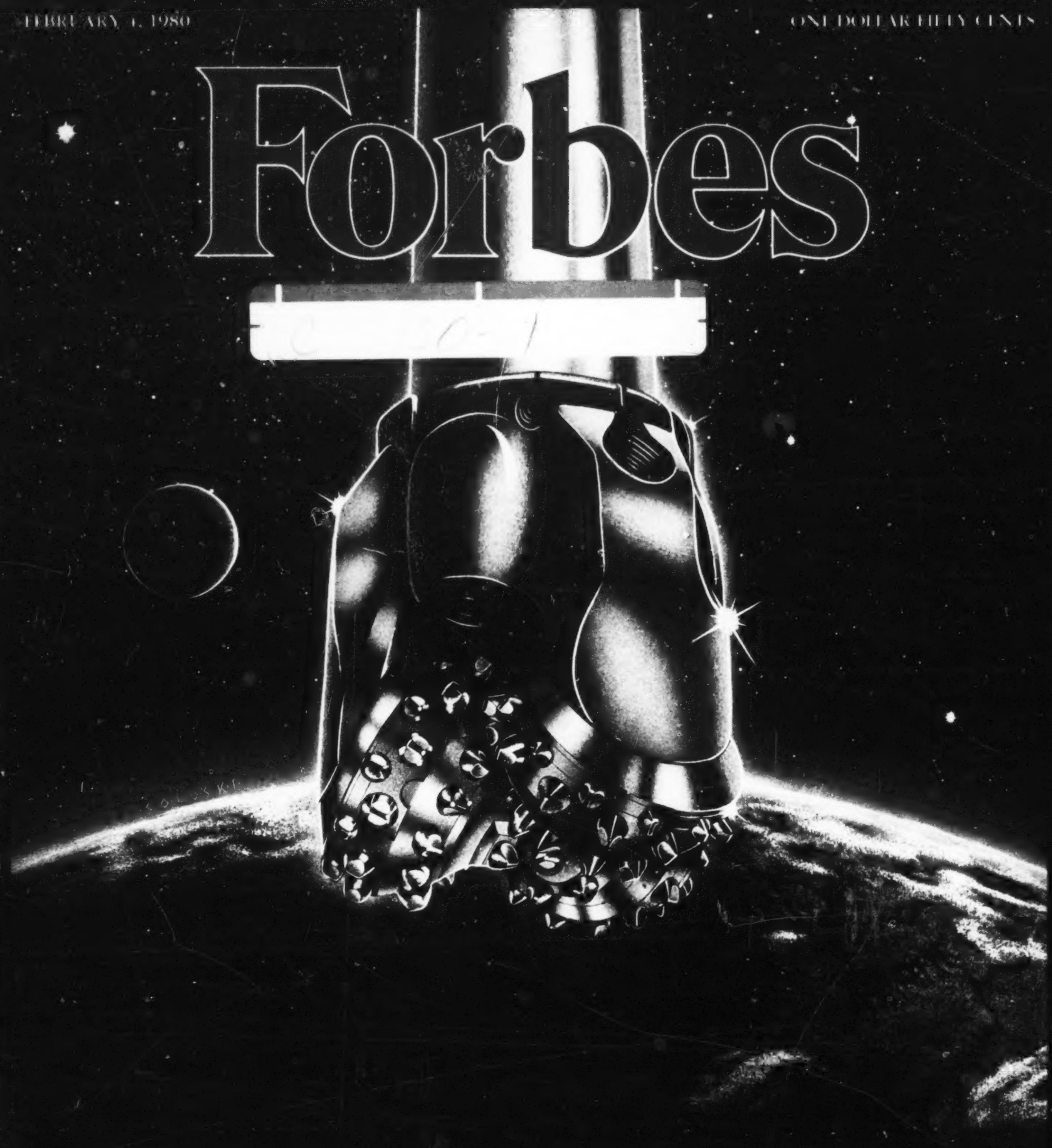

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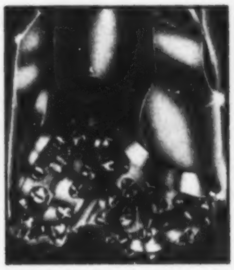

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Is there life after Chapter 11? Not only is there life, but in some companies, resurrection.

Bargains in bankruptcy

It used to be every investor's dream to get in early on the next Xerox or the next Polaroid. That dream has faded before harsh reality. Perhaps it is a sign of the times that the first table shows some of the outstanding gains the stock market has produced in the last decade. The gains ranged from 425% to 8,600%.

Hot stocks? Hardly. These big winners are all companies that went bankrupt.

Is there, then, life after Chapter 11? In many cases, no. Some companies simply liquidate and disappear. Or their stockholders and junior creditors are wiped out. But not always. Where there is good new management, a solid core of assets and a fat tax shelter, once-bankrupt companies can flourish again.

Interested? We've prepared some tables. The first, of course, shows a handful of securities that have made spectacular recoveries after a bout in bankruptcy court; it shows what is possible.

The second table lists securities issued by companies that have emerged from bankruptcy within the past three years but have not staged a spectacular recovery. Most never will. Nevertheless, a few of the companies on the second table could one day make it to the first.

Our third table is of companies now in bankruptcy. These securities are the most depressed. Their future—if any—depends on what happens in bankruptcy proceedings and whether the company is reorganized successfully.

Our fourth table lists securities of companies that recently were or are close to bankruptcy and are badly depressed.

For adventurous investors, the second and third tables may contain some useful ideas. There are two possible ways to play these lists. If you are the cautious, studious kind you will want to study each situation and decide which ones will pull back into prosperity. If you are too busy—or too impatient—you might buy a package of the securities. And, just to make sure you don't forget that these are scarcely risk-free stocks, we append a fifth table that shows some bankrupt companies whose securities went over Niagara Falls without a barrel.

This merchandise may not be choice, but it is not overpriced.—*Robert J. Flaherty and Stephen Gilbarg*

Six that came back

The companies listed below sought protection under bankruptcy laws, got it and came back strong—with enormous profits to those willing to take a chance when things looked bleak.

Company *Senior security*	Bankruptcy filing date	Price near filing date‡	Recent price	% change	Business
Cavanagh Communities	Feb 19, 1975	½	5¼	+950%	Homesite sales
9s91 cv deb		5	62	+1,140	
Daylin	Feb 26, 1975	¾	4§	+433	Home improvement, medical
Hartfield-Zodys	Nov 15, 1974	11/16	8⅝	+1,155	Discount dept stores, apparel shops
Miller-Wohl	Sept 28, 1972	⅜	19	+4,967	Apparel specialty shops
Toys 'R' Us (Interstate Stores)†	May 22, 1974	⅜*	30¼	+7,967	Discount toy supermarkets
4s92 cv deb		4	348**	+8,600	
Unishops	Nov 30, 1973	½	2⅝	+425	Discount department stores

Seven to ponder

The companies below have emerged from bankruptcy within the past three years. For some, the stock price action suggests that a recovery is under way. For others, the stock action suggests no such thing.

Company *Senior security*	Bankruptcy filing date	Price near filing date‡	Recent price	% change	Business
Great American Mgmt & Invt	Mar 25, 1977	1¾*	3⅛	+79%	Rental housing, hotels
Guardian Mortgage Investors	Mar 8, 1978	¾	1	+33	First mortgage loans
6¾s86 deb		20	37	+85	
Key International Mfg (Bohack)†	July 30, 1974	3⅜	¼	–93	Supermarket chain
6s93 deb		10	5	–50	
Lifetime Communities (Fidelity Mtg)†	Jan 30, 1975	1⅝	1⅛	–31	Real estate investment
Penn Central Corp (Penn Central Co)†	June 21, 1970	162½*	23¾	–85	Diversified
3½s97 1st Mtg (NY Central)		16	73	+356	
United Merchants & Manufacturers	July 12, 1977	2½	6⅝	+165	Textiles, apparel
4s90 cv deb		32	40	+25	
Vesper (Alan Wood Steel)†	June 10, 1977	2	2	0	Steel products

*Adjusted to current-share basis. † Former company name. ‡Debentures priced as percent of par. In the case of Penn Central, price is the value of package received for the original debenture. §Cash value on Mar. 20, 1979, date acquired by W.R. Grace. ** Based on conversion value of 116 common shares.

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Twenty in bankruptcy

Stocks of companies still in bankruptcy often sell for pennies. Even a slight hope can trigger a bonanza. Senior securities in these companies sell much higher, anticipating gains (if any) arising out of a successful reorganization.

Company *Senior security*	Bankruptcy filing date	Price near filing date*	Recent price	% change	Business
Allied Artists Industries	Apr 4, 1979	1¾	⅜	–79%	Films, motor homes
8¾s87 cv deb		45	40	–11	
Allied Supermarkets	Nov 6, 1978	⅝	1¼	+100	Midwest food chain
5¾s87 cv deb		18	33	+83	
Apeco	Oct 19, 1977	⅜	¾	+100	Photocopying, mobile homes
Capehart	Feb 16, 1979	⅜	⅛	–67	Stereo consoles and systems
Chase Manhattan Mtg & Realty	Feb 22, 1979	⅞	⅝	–29	REIT
11⅝s97 cv deb		42	45	+7	
Chicago, Rock Island & Pacific RR	Mar 17, 1975	5	2	–60	Western railroad
City Stores	July 27, 1979	2¼	3⅛	+39	Department and specialty stores
Commonwealth Oil Refining	Mar 2, 1978	1¾	10¼	+486	Offshore refinery
4⅛s92 cv deb		35	60	+71	
Continental Investment	Apr 30, 1976	¼	1½	+500	Investment company management
9s85 deb		10	76	+660	
Continental Mortgage	Mar 9, 1976	¼	⅜	+50	REIT
6¼s90 deb		18	37	+106	
Duplan	Aug 31, 1976	1⅞	⅛	–93	Manufacturer of buttons, fabrics
FDI	Dec 1, 1978	½	¼	–50	Auto parts, accessories
Food Fair	Oct 2, 1978	2⅞	2⅞	0	Supermarkets, department stores
8⅝s96 deb		93	64	–31	
Inforex	Oct 24, 1979	1⅞	1¾	–7	Data entry systems
10⅝s98 deb		30	30	0	
Lafayette Radio Electronics	Jan 4, 1980	⅞	⅞	0	Sells hi-fi components
Mansfield Tire & Rubber	Oct 1, 1979	¾	5/16	–58	Replacement tires and tubes
Metroplex Realty Trust (Justice Mtg)†	Dec 30, 1977	½	½	0	REIT
Piedmont Industries	Feb 22, 1979	1⅛	½	–56	Shirts, pants
Tenna	Dec 5, 1979	1⅜	½	–64	Auto accessories, motors
West Chemical Products	Jan 23, 1979	2½	6	+140	Environmental health, agriculture

*Debentures priced as percent of par. †Former company name.

Five to watch

The companies below are known to have considered filing for bankruptcy—or could become hard-pressed enough to have to do so. In hindsight, years hence, will any of them have been superbuys for people who can stand big risks?

Company *Senior security*	Recent price*	1978–1979 price range	Current yield	Business
Arlen Realty & Development	3½	5¼– 1⅝	none	Real estate development
5s86 cv deb	44	66½–40⅛	11.4%	
Chrysler	7¾	13¾– 5½	none	Automaker
8s98 deb	51¼	80½–42	15.6	
Fidelco Growth Investors	4¼	7 – 1⅝	none	Mortgage loan investments
General Public Utilities	7⅝	21⅛– 7	13.1	Utility holding company
8⅛s2003 deb (Metropolitan Edison)	57	98½–57	14.9	
Itel	5⅜	37½– 3½	none	Financial services, equipment leasing
10⅛s98 deb	50¾	100 –40¼	20.7	

*Debentures priced as percent of par.

Five that stayed dead

The following companies went bankrupt and completely wiped out shareholders.

Company	Chapter 11 filing date	Price near filing date	Current value of old common	% change	Business
Arlan's Department Stores	May 14, 1973	1¾	worthless	–100%	Self-service discount stores
Franklin New York	Oct 16, 1974	8¾*	worthless	–100%	Bank holding company
WT Grant	Oct 2, 1975	2⅞	worthless	–100%	Variety department stores
R Hoe & Co	July 7, 1969	2	worthless†	–100%	Newspaper equipment, mill saws
National Bellas Hess	Oct 29, 1974	¼	worthless	–100%	Retail department stores

*Price as of May 15, 1974, the latest available bid. †New common stock was issued to holders of old Class A shares; the old common received no consideration in reorganization.

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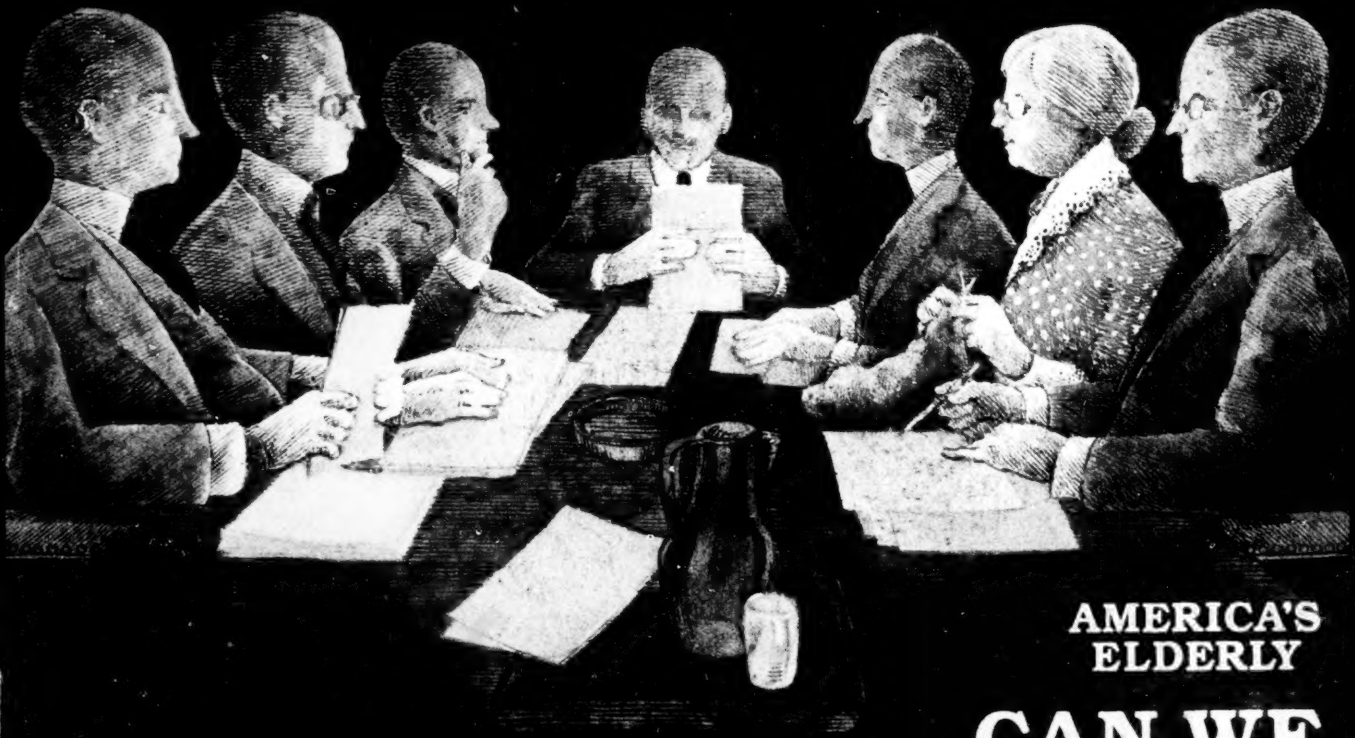

AMERICA'S ELDERLY

CAN WE AFFORD THEM?

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6209 VERNE ST
BETHESDA MD 20034

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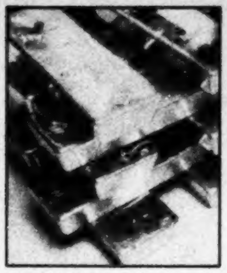

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Are we on the verge of a new bull market? On the verge? What do you call the spectacular runup in 1979? And in January 1980?

The death of what?

By Subrata Chakravarty and Jane Carmichael

IT'S ONE OF THE MEDIA MYSTERIES of our times. While a large part of the press, electronic and print alike, has busily reported that common stocks are a bum investment compared with things like diamonds and Mickey Mouse ashtrays, much of the U.S. equity market has been in a major bull market. To be sure, the market hasn't gone straight up; it never did. It could even be in a sinking spell by the time this article reaches the reader. But the fact is that when they hear stocks are boring, a good many investors chuckle happily to themselves.

The Wilshire 5000 Equity Index, which, unlike the limited Dow Jones industrials, represents the entire universe of stocks, gained a cool $175 billion dollars last year, to end 1979 at $1.06 trillion. In the early weeks of 1980 it gained a further $54 billion. While the unrepresentative DJI continued to hang nearly 175 points below the record level of 1051.7 that it hit in January 1973, the more representative New York Stock Exchange Composite Index surpassed its own January 1973 high on Jan. 28, after rising 15% during 1979.

The death of equities? They wouldn't know what you were talking about at the American Stock Exchange. The Amex Market Value Index is setting new records practically each day, and the trading volume in the first four weeks of this year has been almost *triple* the volume in the first four weeks of 1979—up to a stunning 9.4 million shares a day. And trading in options has roared up from an average of 66,406 contracts daily in 1979 to an average of 121,572 so far this year. Reflecting the frenzy, a seat on the exchange sold recently for $130,000, *vs.* a mere $21,000 as recently as 1977. And at the end of 1978 the weighted average price/earnings ratio of the Amex index overtook that of the New York Stock Exchange and has been widening the lead ever since *(see chart, p. 41)*.

What's going on? In part, investors have finally recovered from the traumatic crashes of 1970 and 1974, which left many vowing never again to touch small, thinly traded companies. "Between 1968 and 1976 there was a clear underperformance in small growth-company stocks," says Richard H. Jenrette, chairman of Donaldson, Lufkin & Jenrette. "We're now returning to equilibrium." William M. LeFevre, the highly regarded vice president-investment strategy at New York's Granger & Co., adds: "After the mess in 1970, I said the only stocks I'm going to get in—and mind you I'm in this business 30 years—are the ones on the NYSE. I mean, I got burned and I said the hell with it. I can get in enough trouble on the Big Board."

LeFevre changed his mind about the Amex and so, apparently, did tens of

The trading floor of the American Stock Exchange last month
The death of equities? They wouldn't know what you were talking about here.

thousands of individual investors. One reason for the renewed interest by individuals is a returning sense of the confidence and optimism of the Sixties after the dreary Seventies. The period of masochistic self-criticism of the Vietnam and Watergate era seems to be giving way to a renewed belief that America can lick its problems, and the attitude is being reflected in the market. "The public is basically bullish," says Sam Terner, a first vice president of Bache Halsey Stuart Shields and a floor broker on the Amex. "If you can give them a few good quarters they'll be back." The Amex has given the public a lot of good quarters lately. Fully 56 companies have shown gains of 50% in 1980 alone *(see table, p. 42, for the big winners and losers of 1980).* Comments Amex Chairman Arthur Levitt Jr., "We're seeing a resurgence of entrepreneurial spirit in this country today." One indication of the public's confidence is that it hasn't shied away from the notoriously recession-prone Amex despite the warnings of recession.

There is, of course, an unhealthy side to all this. Forty-four percent of the value of the Amex is represented by energy-related stocks, which ran up spectacularly in 1979 *(see* FORBES, *Dec. 24, 1979).* This year the gold, silver, strategic metals, forest products and defense-related stocks have joined in. Last year's gambling fever has evaporated. Indeed, last year's winner, National Kinney Corp.—which surged 306% in 1979's last 17 weeks on the strength of its interest in Las Vegas' Aladdin Hotel (and casino)—has so far dropped 20%.

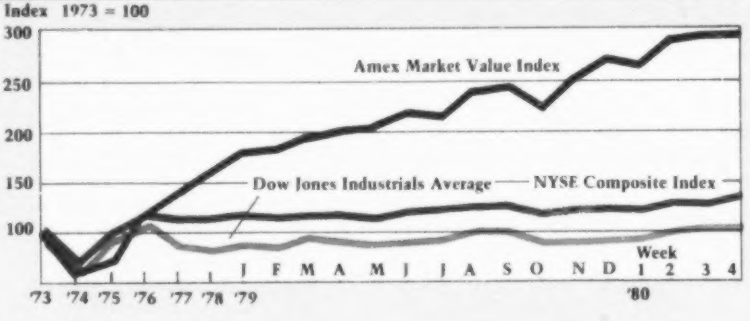
As in any bull market, the public is not always investing intelligently. Take Goldfield Corp., for example. To be sure, it has some closed mines that it wants to reopen and a promising silver mine several years away from production. But its principal businesses are coal mining and the construction of electric power plants, and it's been losing money on those. Nevertheless, it's up 133% in 1980. Or National Silver Industries. It doesn't *mine* silver—it makes silver-plated holloware, which may make it a victim instead of a beneficiary of fluctuating silver prices. But it climbed over 145% in 1980 before investors backed off.

These speculative runups are dangerous, of course, and evidence that the Amex—indeed secondary stocks in general—may be due for a rough jolt. But there seems to be more than crap shooting behind the bull market. "People are finally coming to the belief, which had been shattered in 1974-75, that fast-growing companies may indeed be the last inflation hedge," says Peter Banzhaf, a vice president of Milwaukee's Robert W. Baird & Co.

Indeed, the scramble to buy stocks seems to have elements of panic. "If you didn't make a lot of money on gold, you

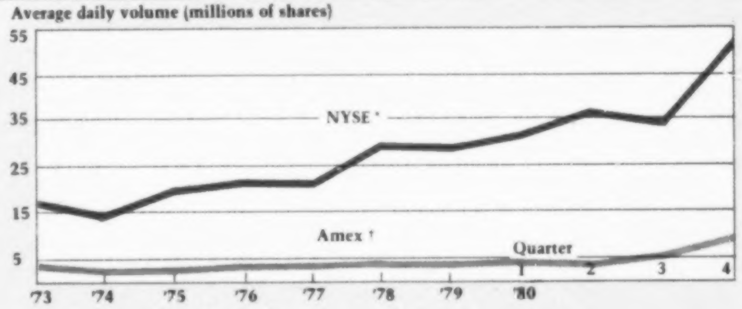
Where the action was

The Dow Jones industrial average is up a measly 3%—the NYSE Composite Index only 26%—since 1973. But the value of Amex stocks has nearly tripled in seven years.



The surge in volume

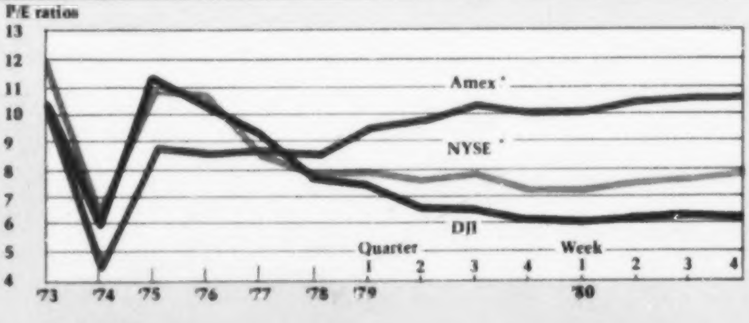
Trading volume has been going through the roof on both the NYSE and the Amex. The NYSE still has most of the business, and volume is up 86% over the first four weeks of 1979. But the Amex has done twice as well—up a spectacular 191% over last year.



* NYSE average daily reported share volume
† Amex average daily share volume

The price of earnings

Investors are willing to pay more per dollar of earnings for the average Amex stock than for either NYSE or DJI stocks—mostly because of rising demand, partly because of the low earnings of many Amex companies.



* Weighted average
Source: Media General Financial Services

Winners and losers

The 25 Amex companies below were the biggest percentage gainers in the first four weeks of 1980.

Company	% increase	Year-end price	Price 1/28/80	P/E ratio	Industry
Macrodyne	200.0	1⅝	4⅞	98	Aircraft mfr, service
Marinduque Mining	142.1	1 3/16	2⅞	16	Nickel & copper mining
San Carlos Milling	142.1	2⅜	5¾	29	Sugar
*Acme Precision Prods	133.3	1⅛	2⅝	def	Zinc die castings
Goldfield	133.3	1⅛	2⅝	def	Coal & elec power stations
*Investment Corp of Fla	106.3	2	4⅛	def	Cement
Poloron Products	100.0	1⅜	2¾	def	Mobile homes & leisure prods
Graham Mfg	96.2	6⅝	13	20	General industrial mach
Schiller Industries	95.2	7⅞	15⅜	10	Electronics & aerospace
Forest Laboratories	94.0	12½	24¼	48	Drug manufacturer
Western Pacific RR	88.1	10½	19¾	6	Railroad
Atlas Consol Mining	82.1	3½	6⅜	16	Copper mining
Servo Corp of America	80.6	3⅞	7	def	Electronics-equip mfr
Diodes	80.0	1¼	2¼	def	Semiconductor devices
Crest-Foam	78.9	2⅜	4¼	8	Rubber-plastic prods
Designcraft Jewel Inds	78.6	1¾	3⅛	45	Jewelry
Aegis	76.9	1⅝	2⅞	17	Rubber, shipyards, oil & gas svc
La Barge	76.9	1⅝	2⅞	24	Metal fabrication
Andrea Radio	76.3	4¾	8⅜	17	Radio-TV
Barnes Engineering	72.9	6	10⅜	16	Infrared electro-optical sys
Ranchers Expl & Devel	72.9	28⅝	49½	17	Uranium & copper mining
*Computer Investors Gp	70.6	2⅛	3⅝	7	Computer leasing
Franklin Realty Group	70.2	11¾	20	31	Real estate
Tech-Sym	68.0	3⅛	5¼	18	Electronics, bldg materials
Health-Chem	66.2	6⅛	10⅛	38	Medical instruments & supplies

The 25 Amex companies below were the biggest percentage losers in the first four weeks of 1980.

Company	% decline	Year-end price	Price 1/28/80	P/E ratio	Industry
Askin Service	–41.7	4½	2⅝	def	Apparel stores
Dellwood Foods	–23.2	11⅞	9⅛	7	Dairy products
GRI	–22.6	3⅞	3	18	Beauty kits
Mangood	–21.7	15	11¾	12	Electronic instruments
Valmac Industries	–21.4	12¼	9⅝	def	Poultry & cotton
†National Kinney	–20.0	9⅜	7½	def	Janitor svcs & parking lots
Intl Foodservice	–18.8	1	13/16	def	Institutional food
Fairmount Chemical	–18.4	4¾	3⅞	def	Chemicals-synthetics
ATI	–17.4	2⅞	2⅜	def	Specialty containers
McDowell Enterprises	–15.5	17¾	15	33	Highway construction, coal
Howell Industries	–15.0	5	4¼	20	Metals fabrication
Rex-Noreco	–13.8	7¼	6¼	7	Rail car leasing & mgmt
Downey S&L Assoc	–12.9	8¾	7⅝	4	Savings & loan
Mego International	–12.7	8⅞	7¾	3	Toys & dolls
†Peerless Tube	–12.5	14	12¼	7	Specialty containers
Air Express Intl	–12.5	8	7	12	Air freight forwarding
Huntington Health Svcs	–12.3	9⅛	8	10	Institutional services
Weiman	–12.1	4⅛	3⅝	28	Photographic svcs & wallpaper
Aloha Airlines	–12.0	6¼	5½	4	Regional airline
Guarantee Bank	–11.9	8⅜	7⅜	12	Banking
Cook Inds	–11.9	8⅜	7⅜	9	Pest control & insurance
Florida Rock Inds	–11.8	14⅞	13⅛	6	Cement
†Hipotronics	–11.3	15½	13¾	17	Electrical equipment
†Flagg Inds	–11.1	9	8	14	Health care facilities
AAV Cos	–10.8	4⅝	4⅛	5	Vending, wholesale distribution

def=Deficit. *Source: Media General Financial Services.*

Winners marked with asterisks were losers in the last 17 weeks of 1979; losers marked with daggers were winners. *Moral:* Volatility works both on the upside and on the downside.

think 'Gee, I've missed the opportunity of a lifetime, and how else can I protect myself?' " says Robert J. Farrell, chief market analyst for Merrill Lynch.

In the next leg of the bull market, will the action spread from the smaller stocks to the big, institutional-type issues? Jenrette says yes. "You're seeing a return to the performance investing of the Sixties," he says. "Institutions are once again aggressively managing their portfolios." Jenrette believes that the institutions will again begin going after the high-quality, big-capitalization, high-growth stocks—the so-called Nifty Fifty.

The multibillion-dollar asset pools simply cannot operate on any scale in the Amex or over-the-counter markets. Because the companies on the Amex tend to be small, entrepreneurial companies, they have thin floats—and that makes the Amex extremely volatile. If a large number of investors move in any direction together the impact is far more severe on the Amex than on the Big Board. Recently, for example, the Toronto-based securities firm of Wood Gundy recommended that its clients take their profits on some Canadian oil companies. The Canadian oils are both heavily represented on the Amex and heavily weighted in the index because of their higher capitalizations. The day the Wood Gundy recommendation went out, the Amex index dropped five points.

The thin float creates a special problem for the Amex specialists and consequently a special risk for Amex investors. "If things turn around, the bids are not going to be there, nor will the depth be there," says one broker. "The specialist on the Amex knows that when things come apart he's gonna be the *only* buyer. Remember what happened to those 'onyx' [electronics] stocks? When they came apart there was no interest. The selling *overwhelmed* the buyers. The difference is not so great anymore, but this is still a very real thing." Result: When things are good on the Amex, they are very good. When things are bad, they're terrible. Especially vulnerable are the second- and third-tier oil companies that do not really have much oil or great prospects of finding more.

A substantial body of shrewd market observers is now betting that the Dow Jones industrials will see a new high this year. Even if they are correct, the market could have a good many sinking spells on the way toward that goal. This much is certain: Amex, o-t-c and smaller Big Board stocks are no longer the relative bargain they were a few years ago. As the bull market gathered steam last month, Merrill Lynch's perspicacious Bob Farrell said it all: "We've had a secondary small-company stock market boom for five years. The recognition of that is finally growing, and we're getting people looking for things that haven't moved." ■

Statistical Spotlight

Dividends on a number of common stocks have easily kept up with the cost of living.

Inflation fighters

ARE COMMON STOCKS a lousy hedge against inflation? By no means. All of the 100 stocks listed below have raised their dividends over the past decade faster than consumer prices rose in that period. Over that ten-year span, the CPI more than doubled, from 112.9 in December 1969 to 229.9 last December. The cash payouts on all 100 stocks listed at least doubled, too. If you look at stocks as the source of a dividend stream rather than just a quotation in the daily newspaper, every one of these 100 kept its owners at least even with inflation.

We looked for more than inflation-beating payouts alone. We list here only companies whose payouts amounted to less than 70% of earnings, this to screen out companies that might have been breathing hard to keep their payouts high. We also had an eye on debt: To make this list, a company's debt as a percentage of total capital had to be under 50%. Further, only companies that raised their dividend at least six times since 1970 were included.

These companies, alas, were nowhere as good at preserving capital as they were at raising income. The stocks of 23 of these 100 were recently selling below their price a decade ago—three of them, Allied Maintenance, Avon and ITT, for less than half their 1970 price. But another 23 of them, nearly one out of four, are now trading at double or more their 1970 price, thus having managed to beat inflation on both counts. Lousy inflation hedges? Hardly. ■

One hundred stocks that kept up

All of the stocks listed below have increased their dividends faster than the inflation rate—since 1970.

	Indicated dividend		Dividend increase since 1970		Payout ratio		Debt as % of capital			% price change	Latest 12-month	
Company	yield	rate	%	number of years	current	ten-year average	1970	latest	Recent price	since 1/1/70	earnings per share	P/E ratio
HF Ahmanson	5.8%	$1.20	2,775%	7	22%	10%	NA	36%	20¾	NA	$ 5.13	4.0
Allied Maintenance	6.6	0.86	154	9	43	36	nil	nil	13⅛	–53%	1.95	6.7
Allied Stores	6.8	1.60	114	6	35	40	52%	38	23⅝	65	4.24	5.6
American Brands	8.0	5.50	120	9	42	50	31	21	68⅝	92	11.12	6.2
American District Tel	5.8	1.16	180	8	43	29	nil	2	20	–27	2.59	7.7
American Home Prods	6.0	1.60	190	9	60	57	2	nil	26¾	12	2.51	10.7
Arvin Industries	8.3	1.12	112	6	37	35	40	38	13½	32	2.78	4.9
Avon Products	7.5	2.80	156	9	65	65	10	nil	37½	–56	4.20	8.9
Ball Corp	5.5	1.40	225	8	28	27	16	37	25¼	NA	4.71	5.4
Beatrice Foods	5.9	1.20	134	9	43	42	22	26	20½	13	2.75	7.5
Bendix	5.6	2.84	119	6	36	43	22	27	51	105	7.24	7.0
H&R Block	6.2	1.60	797	9	55	37	2	1	25⅞	–6	2.71	9.5
Briggs & Stratton	5.8	1.46	116	8	43	51	nil	nil	25	90	3.32	7.5
Brockway Glass	7.4	1.08	170	9	47	30	13	27	14⅝	–43	2.32	6.3
Brunswick	6.0	0.80	675	9	34	21	34	34	13⅜	–25	2.25	5.9
Carnation	5.9	1.50	294	9	42	32	19	18	25⅜	19	3.61	7.0
Carson Pirie Scott	5.8	1.10	102	8	31	33	43	41	19	64	3.47	5.5
Castle & Cooke	5.7	0.80	147	8	45	39*	37	42	14⅛	–8	1.70	8.3
Certain-teed	5.9	0.90	125	7	65	28*	27	26	15⅜	52	1.39	11.1
Coca-Cola	5.5	1.96	172	9	59	57	2	1	35½	–14	3.34	10.6
Colgate-Palmolive	7.6	1.08	149	9	48	44	4	19	14⅛	–5	2.24	6.3
ColonialPennGroup	6.3	1.40	1,980	9	29	17	11	nil	22⅛	205	4.48	4.9
Com Sat	5.5	2.30	1,680	8	42	26	nil	1	41½	–27	5.30	7.8
Continental Corp	7.9	2.20	120	9	37	53	6	12	27⅞	33	5.34	5.2
Copperweld	6.8	1.36	168	7	33	39	25	28	20	147	4.04	5.0
Corroon & Black	5.7	1.56	348	9	53	48	nil	nil	27½	175	2.78	9.9
Cummins Engine	5.6	1.80	120	9	26	29*	36	22	31⅞	–11	6.98	4.6
Dana	6.3	1.56	145	7	29	35	22	22	24⅜	120	4.97	5.0
Dennison Mfg	5.6	1.00	344	8	36	27	20	18	17¾	104	2.76	6.4
Dillon Cos	6.3	1.08	400	9	51	41	30	37	17¼	245	1.82	9.5
Eastman Kodak	6.1	2.90	119	8	44	49	4	1	47¾	–42	6.43	7.4
Emery Air Freight .	6.5	1.00	324	9	65	58	nil	11	15½	8	1.51	10.3
Emhart	7.7	2.40	199	8	42	37	9	10	31	17	5.54	5.6
Esmark	6.5	1.84	283	7	42	32	28	35	28⅜	14	4.40	6.4
Exxon	8.4	4.40	108	7	46	50	17	13	52⅜	70	8.56	6.1

*Less than ten years. NA Not available; went public in 1972.

Table continued on next page

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Continued from preceding page

One hundred stocks that kept up with inflation

	Indicated dividend		Dividend increase since 1970		Payout ratio		Debt as % of capital					
Company	yield	rate	%	number of years	current	ten-year average	1970	latest	Recent price	% price change since 1/1/70	Latest 12-month earnings per share	P/E ratio
Federal Co	6.4%	$2.40	283%	7	41%	33%*	7%	11%	37¾	59%	$5.56	6.8
First Chicago	7.9	1.20	100	9	39	37	nil	24	15¼	18	2.91	5.2
Fleetwood Ent	5.9	0.52	550	8	60	28	nil	nil	8¾	–30	0.86	10.2
Foote Cone & Belding	6.7	1.70	121	7	51	54*	5	1	25½	137	3.02	8.4
Ford Motor	12.1	4.00	103	7	36	39*	7	10	33⅛	1	10.90	3.0
Fox-Stanley Photo	5.7	0.68	164	8	41	37	6	23	11⅞	32	1.60	7.4
Gould	7.3	1.72	167	8	46	39	30	29	23⅝	46	3.60	6.6
Harris Bankcorp	7.3	2.00	108	9	35	33	16	14	27½	3	5.22	5.3
Harsco	5.8	2.00	129	7	34	35	18	21	34⅝	130	5.27	6.6
HJ Heinz	5.6	2.20	227	9	36	33	17	15	39½	83	5.66	7.0
Hoover Universal	7.6	1.24	133	7	39	42	34	38	16⅜	13	3.20	5.1
Ideal Basic Industries	6.8	1.60	129	7	39	49	20	21	23⅝	110	4.08	5.8
INA	6.4	3.30	107	6	30	46	nil	23	51¼	55	9.51	5.4
Interco	6.3	2.40	109	9	33	32	23	14	38	43	7.01	5.4
International Tel & Tel	8.8	2.40	110	9	43	35	32	32	27⅜	–54	5.13	5.3
Fred S James	5.6	1.40	1,138	9	49	37	nil	3	25⅛	213	2.64	9.5
Jim Walter	5.9	1.80	325	9	32	23	28	39	30½	–2	5.39	5.7
Kellogg	7.0	1.32	187	9	65	62	3	11	18¾	83	1.97	9.5
Kimberly-Clark	6.6	2.88	144	7	42	48	23	19	43½	10	6.74	6.5
Leslie Fay	7.1	0.48	147	9	32	30	24	20	6¾	–18	1.50	4.5
Lincoln National	6.5	2.80	200	8	40	38	5	1	43⅛	19	6.78	6.4
Lucky Stores	6.5	1.00	182	8	45	49	39	46	15½	26	2.11	7.3
Mead	6.7	1.80	147	7	30	30*	33	36	26¾	95	5.42	4.9
Melville	5.6	1.60	273	9	37	35	9	15	28¾	64	3.74	7.7
Mobil	5.7	3.00	113	9	27	40	17	26	53	130	9.48	5.6
JP Morgan	6.1	2.80	108	8	35	40	13	23	45⅝	54	7.07	6.5
Murray Ohio Mfg	5.9	1.20	185	8	34	35	19	35	20½	116	3.07	6.7
Natl Distillers & Chem	6.7	2.00	100	6	45	53	36	28	30	78	4.04	7.4
Nevada Power	9.6	2.12	192	9	50	45	55	49	22	10	3.59	6.1
Newell Cos	7.5	0.70	170	6	33	37	NA	33	9⅜	NA	2.07	4.5
Norlin	8.2	1.60	236	6	38	29	44	39	19⅝	–20	4.23	4.6
Norris Industries	6.5	1.60	250	9	39	29	10	4	24½	168	3.61	6.8
Northwestern Steel	6.3	1.80	149	7	33	42	4	1	28½	15	5.10	5.6
Oklahoma Natural Gas	8.1	1.80	128	8	57	52	46	45	22¼	91	3.08	7.2
Papercraft	6.7	1.25	196	9	40	33	42	18	18⅝	–27	2.90	6.4
Petrie Stores	6.2	1.75	1,008	9	51	32	nil	nil	28¼	215	3.42	8.3
PPG Industries	6.9	2.00	102	8	28	44	27	28	29⅛	23	6.65	4.4
Ralston Purina	5.8	0.64	158	8	47	35	38	28	11⅛	25	1.44	7.7
Raymond Intl	5.6	1.00	652	6	30	22*	17	26	18	85	3.38	5.3
Riegel Textile	8.5	1.60	190	8	43	45	31	26	18⅞	120	3.55	5.3
Rochester Telephone	9.3	1.68	166	9	60	50	45	47	18⅛	11	2.61	6.9
Safeway Stores	7.6	2.60	126	9	47	45	8	48	34⅜	39	5.54	6.2
Scott & Fetzer	7.8	1.80	113	7	37	41	7	23	23⅛	65	4.62	5.0
Scovill	8.0	1.52	104	7	41	44	37	41	19	–15	3.51	5.4
Security Pacific	6.0	1.80	102	7	30	40	nil	30	30⅛	11	5.97	5.0
AO Smith	7.9	1.40	100	7	23	34*	29	14	17¾	–19	6.01	3.0
Southern Railway	6.6	3.68	100	8	31	41	38	30	55¾	140	10.39	5.4
Standard Oil of Cal	6.0	3.20	107	8	30	40	14	20	53⅝	110	9.77	5.5
Stauffer Chemical	5.5	1.10	139	7	35	42	27	31	20⅛	138	3.10	6.5
Transamerica	6.5	1.12	101	9	28	50	37	43	17⅛	–32	3.66	4.7
Travelers	6.0	2.48	160	7	24	32	8	3	41½	23	8.83	4.7
Unarco Industries	6.8	0.88	187	7	33	24	42	39	13	103	2.60	5.0
Union Camp	5.7	2.60	267	8	39	39	37	20	45½	121	6.22	7.3
US Tobacco	6.6	2.08	227	9	51	50	12	24	31½	234	3.60	8.8
Universal Foods	6.7	0.96	132	7	62	50	14	30	14¼	44	1.70	8.4
Universal Leaf	6.6	1.20	209	8	41	40	3	1	18⅛	169	2.85	6.4
Van Dorn	7.4	1.00	283	9	31	28	46	36	13½	8	2.99	4.5
VF Corp	7.6	1.60	183	8	43	38	17	11	21	32	3.38	6.2
Vulcan Inc	6.6	0.84	144	5	23	26*	45	25	12¾	108	3.19	4.0
Warner-Lambert	6.4	1.32	120	9	52	45	7	23	20⅝	–41	2.49	8.3
Wells Fargo	6.3	1.72	105	7	29	37	23	34	27½	13	5.75	4.8
West Point-Pepperell	8.1	2.80	115	6	44	49	10	30	34½	50	6.40	5.4
Whirlpool	7.1	1.40	153	6	48	40*	28	11	19⅝	—	2.82	7.0
White Consolidated	5.5	1.40	265	9	28	24	46	43	25⅜	32	4.70	5.4
Wieboldt Stores	5.7	0.44	114	9	58	40	32	42	7¾	–6	0.74	10.5

*Less than ten years. NA Not available; went public in 1972.

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MARCH 31, 1980 TWO DOLLARS

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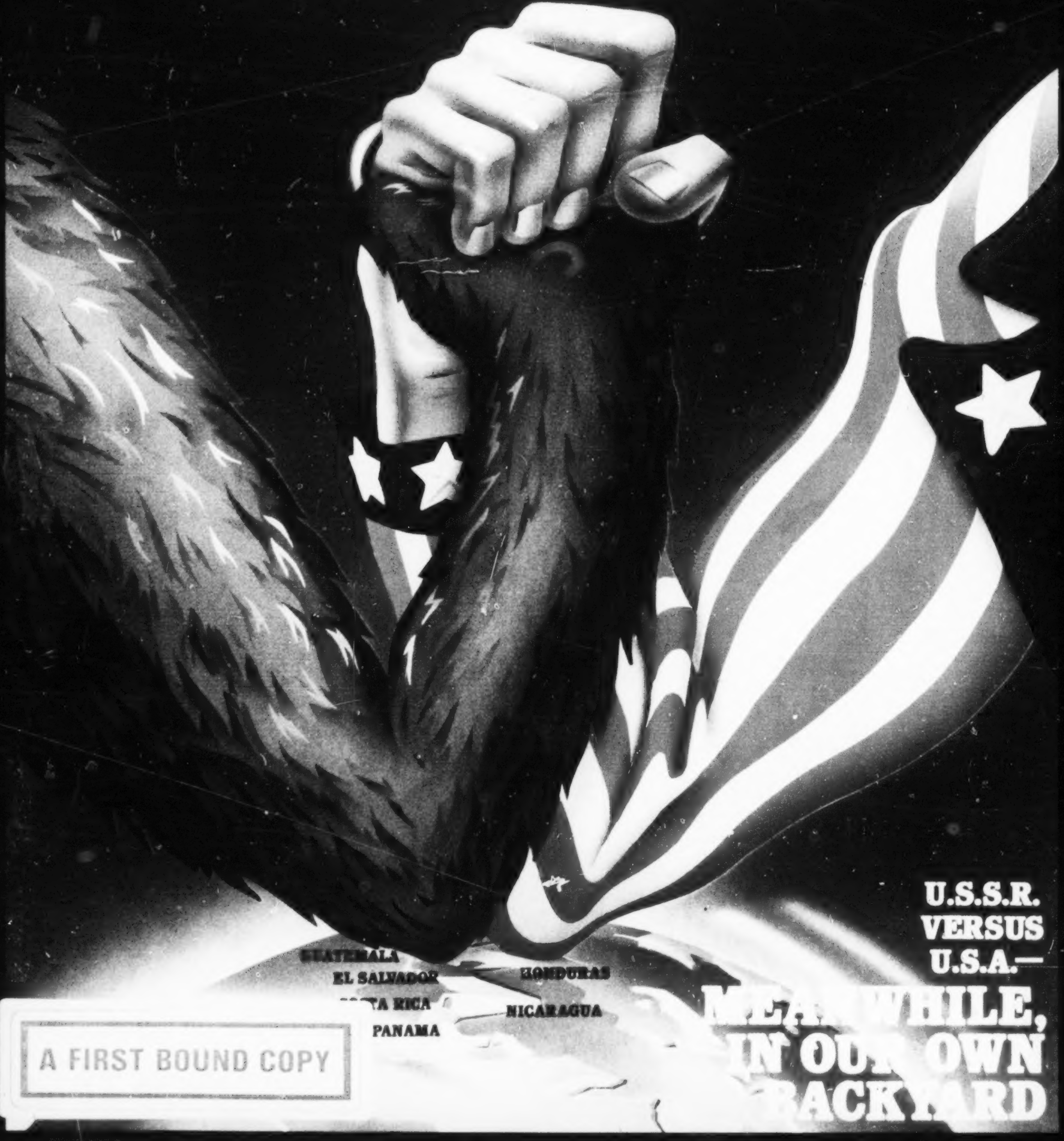
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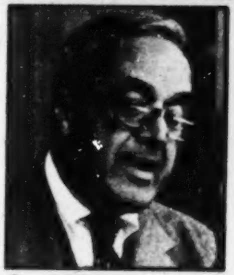
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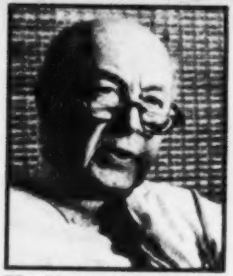
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For companies that can't create a good earnings record the hard way, there is a new fad in managing earnings. It's called . . .

Equity earnings

Statistical Spotlight

MANAGEMENTS ONCE AGAIN have found a way to get more smoke out of their earnings chimneys even though there isn't much fire in their stoves. The smoke—smoke screen might be a better term—comes from what accountants call equity earnings. Equity earnings are profits earned by another company but carried on your P&L statement as well as on the other company's.

To oversimplify, it works like this: Suppose you own 100 shares of General Motors. In 1979 GM earned $10.04 a share and paid out $5.30 in dividends. As a shareholder you received $530. But you wanted to make your income statement look good and you decided to report your

How much smoke? How much fire?

The reported earnings for the latest fiscal year of the 48 companies listed below reflect equity interests in yet other companies. As the accompanying story makes clear, there is a lot of difference between "equity interest" and cash in hand.

	Equity in earnings/losses		Investor's net income		Equity	Recent	Price/earnings ratio	
Investor—Investment (% of shares owned)	total (mil)	per investor's share	total (mil)	per share	in earnings as % of total net	price of investor's stock	based on total earnings	excluding investment
Aetna Life & Casualty—Geosource (32%)	$ 5.2	$0.06	$ 559.5	$ 6.93	1%	31⅞	4.6	4.6
Alexander & Baldwin—Pacific Resources (21)	1.7	0.19	35.3	3.89	5	29½	7.6	8.0
Allegheny Ludlum—			71.5	7.30	NA	31⅛	4.3	NA
Liquid Air-N Amer (33)	8.1*	1.09*						
Wilkinson Match (44)	5.7	0.77						
AMAX—Adobe Oil & Gas (30)	2.8E	0.05	368.1	6.54	1	55⅜	8.5	8.5
American Financial—			86.1	9.16	14	30½	3.3	4.0
Fairmont Foods (27)	1.6	0.21						
United Brands (28)	6.9	0.89						
DSI (20)	0.5	0.06						
N American Mtge (36)	–1.3	–0.16						
Mission Insurance (20)	3.9	0.50						
Computer Automation (24)	–0.9	–0.11						
Natl Convenience Stores (25)	1.5	0.20						
American General Ins—			165.5	6.60	2	31⅝	4.8	4.9
Lincoln American (41)	1.5	0.06						
Service Corp Intl (20)	1.3	0.05						
Richmond Tank Car (10)	0.6	0.02						
ASARCO—Revere Copper & Brass (33)	8.5	0.28	259.1	8.56	3	54	6.3	6.5
Bangor Punta—Lone Star Inds (7)	3.1	0.64	29.7	5.95	10	25½	4.3	4.8
Bendix—ASARCO (21)	25.5	1.11	162.6	7.10	16	49	6.9	8.2
Borg-Warner—Hughes Tool (21)	11.0†	0.51†	166.6†	7.76†	7	39⅞	5.1	5.5
California Portland Cement—Conrock (34)	0.9	0.22	29.3	6.95	3	42¾	6.2	6.4
Callahan Mining—KRM Petroleum (29)	0.2	0.03	20.1	3.42	1	34	9.9	10.0
Chessie System—Natl Mine Service (24)	0.6	0.03	120.5	6.05	1	29¼	4.8	4.9
Clabir—General Host (12)	1.1E	0.28E	2.7E	0.70E	41	5⅜	7.7	12.8
Consolidated Oil & Gas—RL Burns (45)	–5.4	–1.09	2.1	0.43	—	27	62.8	17.8
Curtiss-Wright—			33.8	4.05	56	27	6.7	15.3
Lynch (19) Cenco (16) }	1.3	0.15						
Kennecott Copper (14)	17.7	2.14						
DeLuxe Check Printers—Data Card (45)	2.5	0.22	38.6	3.37	7	34¾	10.3	11.0
DWG—Wilson Brothers (42)	–1.0	–0.16	5.9	0.81	—	3⅛	3.9	3.2
Farm House Foods—Scot Lad (41)	1.5	0.35	3.6	0.90	41	4¾	5.3	8.6

entire share of GM profits. So, you reported income of $1,004 instead of just $530. The extra $474 was "equity earnings." For you, it was not real income, even though it was being reinvested to work for you over the long term.

Sensibly, you wouldn't count on that extra $474, but a lot of companies that own stock in other companies report equity earnings as though they were income to them. The accountants mandate that they do so, provided their shareholdings equal or exceed 20% of the other companies' stock. You'll find equity earnings on a separate line in many corporate P&L statements. Although they are listed separately, they are taken directly to the famous bottom line. (Dividends, of course, are another matter; they are cash actually received and are counted as investment income. Equity earnings, by contrast, are only a bookkeeping fiction, consisting of the difference between earnings and dividends.)

The prime mover in this smoke-and-fire business was Dr. Henry E. Singleton, chairman of Teledyne. Shortly after the unorthodox Singleton personally took over management of his insurance subsidiary's stock portfolio, he flouted convention by concentrating his investments in a few stocks. His auditors advised him of the accounting consequences of Teledyne's owning more than 20% of the equity of Brockway Glass, Curtiss-Wright, Litton Industries and Reichhold Chemicals. The auditors insisted Teledyne must report on a separate line its proportionate share in these four companies' earnings in Teledyne's operating report. Mind you, the accountants didn't tell Singleton he *could* do this; they said he *must*.

Singleton did not (and still does not) like consolidating any of TDY's earnings from investments because he does not consider equity earnings to be real earnings. He did not like the fact that including equity earnings would unrealistically inflate Teledyne's reported earnings. Still he surrendered to avoid confrontation with his auditors.

The percentage would have been higher—and so would Teledyne's reported earnings—if Singleton hadn't held back his holdings of Walter Kidde and National Can to under 20%. By doing so he avoided having to consolidate his equity holdings in these companies, too. If Singleton bought a mere $16 million more of Walter Kidde and National Can, Teledyne's equity earnings would then jump another $20 million annually, since the

	Equity in earnings/losses		Investor's net income		Equity in earnings as % of total net	Recent price of investor's stock	Price/earnings ratio	
Investor—Investment (% of shares owned)	total (mil)	per investor's share	total (mil)	per share			based on total earnings	excluding investment
Grow Group—Guardsman Chemical (20)	$ 0.3††	$ 0.09††	$ 4.9††	$ 1.51††	6%	12	7.9	8.5
Gulf & Western—Amfac (21)	11.0	0.23	227.4	4.62	5	19⅞	4.3	4.5
Hanna Mining—Labrador Mining (20)	11.0E	1.23	54.6	6.14	20	40⅝	6.6	8.3
Hartfield-Zodys—Three-D Depts (20)	0.3E	0.08E	7.2E	1.92E	4	8¾	4.6	4.8
Illinois Tool Works—Computer Products (22)	0.3	0.03	41.2	3.37	1	24½	7.3	7.3
Imasco—Hardee's Food (28)	3.3‡	0.32‡	65.4‡	6.33‡	NA	45	7.1	NA
Katy Inds—HMW Inds (53)	2.6E	0.53E	18.0E	3.30E	14	13½	4.1	4.9
Kemper Corp—Gibraltar Financial (25)	2.9	0.24	83.2	6.82	3	27½	4.0	4.2
Walter Kidde—EDO (23)	0.7E	0.07E	84.1	7.85	1	35⅞	4.6	4.6
Leasco—Reliance Group (3)	0.7‡‡	0.45‡‡	1.2‡‡	–0.89‡‡	54	32½	def	def
Masco—Braun Engineering (42)	0.2	.01	73.1	2.80	—	26	9.3	9.3
McIntyre Mines—Falconbridge Nickel (37)	38.7	16.26	36.5	15.33	106	98¼	6.4	def
Monogram Inds—Craig Corp (35E)	0.5	0.18	16.2	5.78	3	46	8.0	8.2
NVF—			70.0E	0.90E	18	7⅛	7.9	9.8
APL (24)	–0.3E	–0.00E						
Burnup & Sims (23)	1.2E	0.02E						
National Can (24)	11.5E	0.15E						
Power Test—Alpha Portland (33)	1.2††	0.57††	5.4††	2.61††	22	22	8.4	10.8
Reliance Group—			217.2	23.33	4	64	2.7	2.9
Imperial Corp of Amer (25)	7.9	0.86						
Rothschild Investment Trust (22)	1.0	0.11						
Reynolds Metals—Robertshaw Controls (27)	2.3E	0.12	177.1	9.25	1	37	4.0	4.1
St Louis-San Fran Ry—NM/Ariz Land (51)	0.5	0.19	19.8	7.47	3	69	9.2	9.5
Schlumberger—Rowan Cos (22E)	6.1E	0.05E	658.4	5.18	1	112	21.6	21.8
Sears, Roebuck—			843.0E	2.65E	1	16⅜	6.2	6.3
Coldwell, Banker (21)	2.7E	0.01E						
De Soto (31)	2.9E	0.01E						
Roper Corp (39)	3.8E	0.01E						
Southern Union—Supron Energy (28)	4.4E	0.66E	34.8	4.88	13	36¾	7.5	8.7
Standard Oil (Calif)—AMAX (19)	63.7	0.37	1,785.0	10.44	4	79½	7.6	7.9
Sun Chemical—Chromalloy American (23)	10.0†	2.21†	34.3†	7.58†	29	27¼	3.6	5.1
Superior Oil—McIntyre Mines (53)	17.9E	0.85	200.3	9.52	9	174½	18.3	20.1
Taft Broadcasting—Kinder Care (20)	0.4	0.04	30.6	3.52	1	29¾	8.5	8.5
Teledyne—			372.0	27.59	12	145¼	5.3	6.0
Brockway Glass (29) Curtiss-Wright (32) Litton Inds (25) Reichhold Chemicals (21)	44.0	3.26						
US Filter—Koehring (23)	2.7	0.33	22.5	2.01	12	15	7.5	8.9
Walco Natl—Leesona (24)	0.3	0.16	7.8	3.57	4	22⅛	6.2	6.5
Williams Cos—BancOklahoma (21)	1.1	0.04	69.5	2.55	2	33½	13.1	13.3

*Estimate for 1979 based on current holdings. †Pro forma estimates for 1979 based on current holdings. ††Latest 12 months. ‡Pro forma estimates for latest 12 months based on current holdings. ‡‡Pro forma estimate for 1979 based on current holdings; Leasco earnings per share after deducting preferred dividends. E Estimate. NA Not available. def Deficit.

magic 20% ownership mark would have been surpassed.

The game that Singleton is playing reluctantly, others have begun to play eagerly. Borg-Warner CEO James F. Beré is swapping a division of his company to Hughes Tool for Hughes stock, raising Borg's Hughes holdings from 16% to over 20%. The swap will permit Borg to take in over $11 million of Hughes' 1980 earnings into Borg's total profits. Borg's 1980 earnings, which would otherwise have dipped from 1979, will now hold up or even increase, and the stock temporarily jumped 8%. But what has really changed? The reality is, a division has been shifted from one company to another. More smoke out of the chimney, with less operating fire.

Borg is hardly alone. Some companies have made a practice of triple-counting earnings by applying equity accounting principles. The case of Kennecott to Curtiss-Wright to Teledyne is a prime example. Curtiss-Wright owns 14% of Kennecott but consolidates 14% of earnings even though it is below the 20% mark. Thus Teledyne, which owns 32% of C-W, must consolidate the Kennecott equity earnings, too.

Have the accountants, once again, in attempting to clarify matters, ended by confusing them? Perhaps. The table on pages 100 and 101 shows some companies with equity earnings in their bottom line. It shows the current price/earnings ratio, first in terms of *reported* earnings, and then with the equity earnings filtered out. In some cases the differences are major. Does the inclusion of equity earnings mislead investors into capitalizing earnings that are not real? Smoke, after all, is not the same thing as fire.—*Maria Latorraca and Stephen Gilbarg*

APRIL 14, 1980

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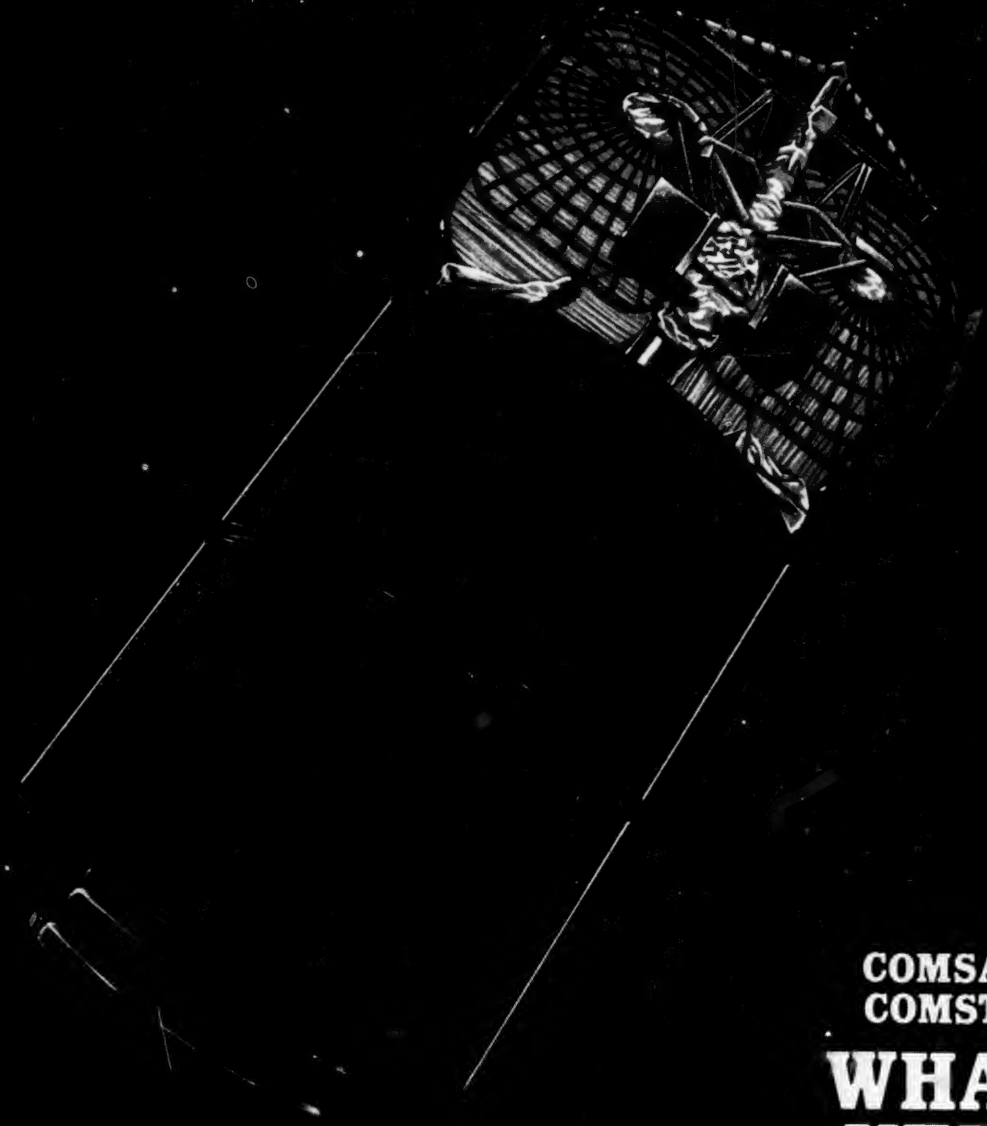

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COMSAT'S COMSTAR

WHAT NEXT FOR THE GOLDMINE IN THE SKY?

Forbes

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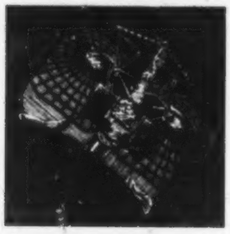

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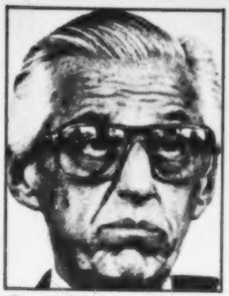

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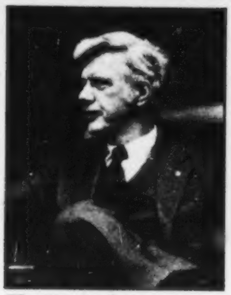

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1980 Annual Banking Survey

The politicians have left inflation-fighting to the Federal Reserve. That may be good news for the country but it's bad news for the banks.

But from whom can your friendly banker borrow?

On March 17, John G. Medlin Jr., president and CEO of Wachovia Corp., boarded a plane in the chilly dawn of Winston-Salem, N.C. and flew off to Washington to join 50 fellow bank chief executives from around the country to hear Paul A. Volcker lay down the law. The Fed was lowering the boom on credit expansion with an array of painful weapons—additional reserve requirements, penalty discount rates and scads more rules applying to all lenders.

But when Medlin got back to his North Carolina offices at 3:30 that day, he wasn't the least bit uneasy. Wachovia has always played a conservative game. That characteristic helped the holding company emerge unscathed from the 1974-75 bank credit disaster and it would bring peace of mind again in 1980. Of its $3.8 billion in deposits, Wachovia sits on $800 million in low-cost passbook savings accounts, another $600 million in savings certificates and $1.2 billion in interest-free demand deposits. "A strong core deposit base," remarks Medlin with pride. "That's the kind of thing that carries you through the easy times as well as the tough times."

Most banks aren't so lucky. At the beginning of 1980, Morgan Stanley & Co. bank stock analyst Arthur P. Soter was projecting an 8%-to-10% increase in bank holding company earnings, on the expectation that short-term rates would peak before the end of the first quarter. But now, with interest rates rising instead of peaking, Soter has changed his earnings projections. He now looks for, at best, a slight, 3%-to-7% increase in bank earnings—at best because he assumes continued high interest rates will not decline until about midyear. If they stay high after June, however, Soter can see a flattening in bank earnings this year, something that hasn't happened since the end of World War II.

Soter is looking for credit losses, of course, but this isn't the whole problem. The banks are being badly squeezed in their traditional role as middlemen. Bankers, essentially, borrow money from the public and lend it out at a profit. The idea is to borrow cheap and lend dear. Only now the process is reversed: They are having to borrow dear while large parts of their loan and investment portfolios are locked in at much lower rates. How can you make out if you are frozen into consumer loans at, say, 12% but you have a cost of 22% raising funds in the money market? Little wonder the banks raise the prime rate on new and renewal loans as fast as they can.

The problem is made worse by the changed nature of banking. When banks were chiefly short-term lenders, rolling over their typical business loan every 90 days, they could quickly adjust the price of money to the cost of money. In those days a major part of their liabilities was represented by demand deposits—which were, in effect, virtually cost-free money. But demand deposits, except where required as compensating balances, are a vanishing institution—no more free money for the banks. The nature of bank loans has changed, too.

Today, larger portions of banks' portfolios contain medium-term loans and even long-term mortgages and securities, where the interest rates are fixed. Take Bank of America. America's biggest bank is healthier than most and yet only 58% of its loans in 1979 were short term with flexible interest rates. As against this, 66% of its obligations carried flexible interest rates. So, as interest costs rose on 66% of its obligations, Bank of America could raise rates fast

A few superlatives

Below, performance highlights of the 100 largest bank holding companies drawn from the tables on the following pages.

Biggest—fastest			**Smallest—slowest**	
BankAmerica (Calif)	$108,389	**Total bank assets—1979**	Financial Gen Bancshs (DC)	$2,293
Mercantile Texas (Tex)	41.4%	**Growth of assets*** Industry median: 10.8%	Fidelcor (Pa)	–0.8%
Trust Co of Georgia (Ga)	99.9%	**Growth of earnings per share*** Industry median: 13.4%	Fidelcor (Pa)	–28.2%
Mercantile Texas (Tex)	18.6%	**Four-year return on equity*** Industry median: 12.7%	Fidelcor (Pa)	3.1%
Trust Co of Georgia (Ga)	6.39%	**Net interest margin—1979** Industry median: 4.40%	Bank of Tokyo Trust (NY)	1.92%
JP Morgan (NY)	$30,368	**Market value of trust assets—1979**	Pittsburgh Natl (Pa)	$2,568
JP Morgan (NY)	$128	**Trust department revenues—1979**	Boatmen's Bancshs (Mo)	$6

Note: $ value in millions. *Compounded annual rate 1979/1975.

1980 Annual Banking Survey

100 largest bank holding companies: a statistical profile

1979 size measures ($millions)

Rank	Total assets	Total deposits	% domestic demand deposits	Total loans	Loan loss res as % of loans	Charge-offs	Total investments	Total capital	Long-term debt % capital	Total operating income	Net income‡	Company and headquarters
1	$108,389	$84,985	16.8%	$57,601	1.0%	$151.5	$8,472	$4,656	25.7%	$9,450	$600.2	**BankAmerica (Calif)**
2	106,371	70,291	12.5	62,993	0.8	184.7	4,816	8,099	55.6	10,904	544.2	**Citicorp (NY)**
3	64,708	48,456	29.2	40,170	1.1	93.0	4,058	3,552	35.1	6,079	311.2	**Chase Manhattan (NY)**
4	47,675	38,156	36.6	25,475	1.0A	53.6	2,553	2,418	35.2	3,847	211.3	**Mfrs Hanover (NY)**
5	43,488	30,279	32.6	22,373	1.1A	+3.7A	3,405	2,530	22.9	3,634	288.3	**JP Morgan (NY)**
6	39,375	28,987	33.1	20,524	1.0	35.8	3,692	1,866	36.2	3,292	142.3	**Chemical New York (NY)**
7	35,790	24,007	21.7	23,074	1.0A	49.1	2,226	1,892	28.0	3,376	194.1	**Continental Illinois (Ill)**
8	30,953	22,437	36.3	16,133	1.1	21.6	1,805	1,263	26.5	2,727	114.5	**Bankers Trust (NY)**
9	30,182	21,106	16.0	15,704	1.0	76.7	2,133	1,548	23.4	2,646	115.4	**First Chicago (Ill)**
10	29,687	23,631	37.1	17,031	1.4	46.5	4,317	1,803	31.1	2,690	214.9	**Western Bancorp (Calif)**
11	24,923	18,451	31.4	16,317	1.1	40.9	2,367	1,402	25.6	2,438	164.5	**Security Pacific (Calif)**
12	20,593	15,831	27.3	14,861	0.9	40.1	1,683	1,351	38.3	2,018	130.2	**Wells Fargo (Calif)**
13	16,702	13,525	47.5	7,365A	1.3A	19.0A	958	783	33.8	1,304	69.0	**Irving Bank (NY)**
14	16,139	12,517	31.3	10,539	1.1	37.9	1,143	905	27.1	1,538	89.4	**Crocker Natl **(Calif)**
15	15,728	12,509	26.7	9,111	1.3	34.9	1,068	883	45.6	1,412	42.8	**Marine Midland (NY)**
16	13,760	8,965	26.0	7,087	1.3	27.6	1,789	1,072	39.4	1,637	85.0	**First Natl Boston (Mass)**
17	13,508	9,503	30.6	6,887	1.8	8.0	856	1,251	34.0	1,148	101.0	**Mellon Natl (Pa)**
18	12,416	9,573	32.3	7,516	1.0	10.7	2,106	1,114	34.1	1,145	109.7	**Northwest Bancorp (Minn)**
19	12,118	8,983	35.1	6,850	1.0	14.2	2,159	963	26.4	1,054	103.3	**First Bank System (Minn)**
20	11,504	8,920	32.3	5,922	1.0	18.9	1,692	883	32.8	1,071	100.3	**First Intl Bancshs (Tex)**
21	10,798	7,647	31.8	5,411	1.2	11.1	1,301	710	29.3	951	72.6	**Republic of Texas (Tex)**
22	9,506	6,896	33.6	4,602	1.3	10.1	1,619	707	14.0	812	82.0	**Natl Detroit (Mich)**
23	9,505	7,597	38.5	4,553	1.3	13.1	1,631	524	14.3	810	70.0	**First City Bancorp (Tex)**
24	9,260	7,226	41.0	4,940	1.1	6.8	1,442	550	10.0	791	82.4	**Texas Comm Bancshs (Tex)**
25	8,994	6,870	32.5	4,321	0.7	24.6	858	409	12.1	791	43.9	**Bank of New York (NY)**
26	8,987	5,307	23.3	4,633	1.4	42.5	1,589	667	47.5	991	16.5	**First Pennsylvania (Pa)**
27	8,401	6,652	31.5	5,406	1.1	8.6	493	505	14.6	806	65.5	**Seafirst (Wash)**
28	7,766	6,370	45.1	4,420	1.2	9.4	657	428	32.2	628	20.9	**European American†† (NY)**
29	7,108	4,929	34.1	3,302	1.0	4.5	947	388	13.9	587	35.5	**Harris Bankcorp (Ill)**
30	6,563	5,154	45.2	3,639	1.3	1.6	1,246	347	15.9	567	36.7	**Union Bank††‡‡ (Calif)**
31	6,365	4,477	37.7	2,789	1.1	14.1	880	497	39.7	562	44.5	**NCNB (NC)**
32	5,916	4,056	45.5	3,145	1.2	13.9	600	429	28.0	557	45.2	**Philadelphia Natl (Pa)**
33	5,566	1,889	40.3	3,866	2.0	33.8	376	1,179	71.8	634	41.2	**Walter E Heller Intl§§ (Ill)**
34	5,563	3,912	31.2	2,870	1.0	6.6	814	392	18.0	472	49.0	**Pittsburgh Natl (Pa)**
35	5,402	3,763	31.3	3,211	1.4	4.7	1,214	505	0.0	491	57.4	**AmeriTrust (Ohio)**
36	5,399	4,545	24.3	3,607	0.6	11.7	826	418	27.5	511	44.2	**Michigan Natl (Mich)**
37	5,358	3,912	32.7	2,389	1.2	5.0	717	334	18.0	489	30.4	**Northern Trust (Ill)**
38	5,199	4,331	34.5	3,168	1.3	3.8	628	268	0.8	477	47.5	**Valley Natl Bank‡‡ (Ariz)**
39	5,107	3,673	43.6	2,773	1.1	3.0	799	282	29.3	435	23.1	**First Wisconsin (Wis)**
40	5,097	3,825	38.7	2,680	1.2	2.1	592	337	4.9	437	46.6	**Wachovia (NC)**
41	5,067	3,527	26.4	2,608	1.1	4.3	1,231	346	10.1	440	47.0	**DETROITBANK (Mich)**
42	5,028	3,828	41.0	2,322	1.4	12.1	1,155	449	38.0	438	36.9	**Southeast Banking (Fla)**
43	5,005	3,805	31.5	2,658	0.9	10.5	1,323	309	4.1	437	32.2	**BancOhio (Ohio)**
44	4,972	3,330	42.5	2,228	1.5	3.4	1,021	345	2.1	394	53.6	**National City (Ohio)**
45	4,849	3,634	29.8	3,055	1.1	8.3	677	312	6.9	438	17.0	**Natl Bk of NA††‡‡ (NY)**
46	4,709	3,332	42.8	2,631	1.2	5.2	937	362	32.6	430	40.5	**Mercantile Texas (Tex)**
47	4,526	3,608	30.3	2,769	1.0	8.4	896	293	17.6	405	33.6	**Manufacturers Natl (Mich)**
48	4,496	3,457	29.7	3,165	1.0	10.8	422	321	17.6	466	37.2	**Rainier Bancorp (Wash)**
49	4,431	3,512	35.1	2,922	0.8	4.2	660	470	31.8	426	52.5	**US Bancorp (Ore)**
50	4,408	3,287	10.7	2,130	2.1	9.2	476	333	35.0	401	33.8	**Republic New York (NY)**

‡From continuing operations before security gains or losses and extraordinary items. **Excludes gain on sale of building. ††Company not publicly traded; stock data not available. §§Includes the results of nonbank operations where applicable. ‡‡Bank only; not organized as a holding company. A: Includes leases.

Growth measures*							Profitability & cost measures			Stock data			
Average assets		Equity per share		Earnings per share†		Dividend	Return	Net interest	Overhead				
4-year average	1979 vs 1978	4-year average	1979 vs 1978	4-year average	1979 vs 1978	4-year average	on equity 4-yr avg	margin§ 1979	times NI 1979	Recent price	1979 EPS†	P/E ratio	Current yield
12.0%	15.6%	12.7%	13.3%	17.0%	20.2%	14.3%	17.8%	3.52%	3.3	21⅛	$4.10	5.2	6.2%
13.6	19.4	11.1	11.7	11.3	14.5	10.1	16.0	3.19	4.1	17⅞	4.34	4.1	7.3
9.8	8.9	5.7	11.3	12.9	59.3	2.2	10.1	3.33	4.0	36⅜	8.81	4.1	7.7
12.4	18.4	8.6	9.0	7.5	14.8	7.3	14.4	3.38	3.4	27⅛	6.42	4.2	9.3
12.6	22.8	11.0	10.7	10.4	11.9	8.6	15.1	2.68	1.6	43	7.07	6.1	6.5
9.5	9.4	5.5	7.2	6.5	21.0	2.4	11.6	3.07	4.9	34	8.53	4.0	10.2
15.6	23.3	10.4	11.1	11.3	11.1	7.3	15.7	2.48	2.4	21⅜	4.99	4.3	7.5
8.7	7.5	4.6	8.5	12.7	45.3	0.7	9.9	2.83	4.5	38	9.30	4.1	8.7
9.0	13.8	7.5	5.9	1.0	−14.0	5.3	11.6	2.09	3.3	13⅝	2.83	4.8	8.8
11.2	15.0	10.2	13.5	26.4	23.4	13.9	14.9	4.79	4.1	27⅝	5.38	5.1	5.9
12.6	17.5	9.8	12.0	23.2	14.7	11.4	15.1	4.23	4.2	24¾	5.94	4.2	7.3
13.2	15.7	10.3	11.1	18.4	11.0	14.3	15.1	4.47	4.3	22⅞	5.45	4.2	8.4
9.1	15.5	8.0	10.2	10.9	23.9	5.1	12.7	3.65	4.6	30¼	7.77	3.9	9.0
9.6	15.0	8.8	14.4	16.5	18.0	4.1	14.3	5.18	5.6	24¾	6.68	3.7	8.9
6.6	15.6	3.4	6.6	29.2	63.1	−18.4	5.5	3.03	7.7	14¾	3.18	4.6	5.4
11.7	15.3	6.1	9.9	17.4	33.6	2.2	10.8	4.03	3.9	24⅞	6.84	3.6	8.8
6.9	17.7	6.9	7.9	12.1	17.4	9.1	11.2	3.72	2.4	22¼	4.92	4.5	8.3
13.6	14.4	10.5	11.2	14.2	16.0	11.6	15.2	4.08	3.0	19⅜	4.13	4.7	6.8
12.4	13.7	9.9	11.1	12.9	13.1	8.3	14.8	4.06	2.5	32¾	6.80	4.8	6.8
15.2	16.7	12.0	13.4	15.4	18.6	12.3	17.4	3.78	2.0	34¾	4.79	7.3	4.3
17.6	21.8	12.8	12.2	15.9	24.4	8.6	14.3	3.32	2.4	22	4.08	5.4	5.3
5.6	8.4	8.3	8.6	10.8	10.2	10.3	12.8	4.29	2.7	24	6.24	3.8	8.3
14.5	17.3	11.9	12.3	16.9	20.5	13.6	15.8	4.10	2.8	35⅝	5.34	6.7	4.4
16.8	19.1	13.3	14.1	18.5	21.0	11.7	17.6	4.12	1.9	41¼	5.70	7.2	3.9
19.5	30.2	6.9	6.8	6.2	13.9	3.4	12.4	3.51	4.1	30½	7.05	4.3	8.9
9.6	15.8	0.5	−0.7	−6.6	−46.5	0.0	7.6	2.42	12.2	6	1.06	5.7	7.3
14.8	20.9	11.7	12.4	16.2	14.1	12.0	15.8	4.80	3.7	23¾	4.28	5.5	4.7
12.8	17.0	10.7	34.8	29.4	48.6	—	6.5	3.26	6.6	—	—	—	—
12.8	14.4	6.0	5.8	−1.6	13.7	7.4	10.8	2.99	4.4	23½	4.65	5.1	8.5
12.7	13.4	9.0	17.8	26.0	16.7	—	11.8	4.83	5.1	—	—	—	—
9.3	15.7	9.0	13.0	22.9	24.1	4.5	13.1	4.37	3.2	11¼	2.42	4.6	6.4
8.5	7.6	6.8	8.8	9.8	22.4	4.7	11.9	4.52	4.2	25	6.77	3.7	10.6
12.5	14.9	8.3	9.2	7.8	14.5	8.2	13.4	4.18C	2.9C	16⅞	3.40	5.0	7.1
12.7	25.8	8.4	9.6	11.6	21.7	10.1	13.7	4.19	2.7	33	7.30	4.5	8.5
8.2	11.1	7.3	7.5	8.4	9.2	10.1	11.7	4.63	2.3	25¼	6.20	4.1	9.5
13.0	11.8	14.0	12.8	16.1	4.2	22.0	17.4	6.00	3.7	14	4.70	3.0	8.6
9.0	11.1	7.7	6.4	1.3	3.0	6.4	11.3	3.15	4.5	29	5.52	5.3	7.6
12.1	18.4	11.2	15.1	22.9	27.0	11.5	16.1	5.63	3.5	26	4.65	5.6	5.4
8.4	10.2	5.0	7.7	17.6	28.6	1.3	9.5	3.27	5.1	20⅝	5.30	3.9	9.1
9.9	17.4	9.7	10.0	9.9	20.4	0.8	13.7	4.95	3.2	15⅝	2.71	5.8	5.5
12.7	10.3	9.2	9.2	10.8	3.7	12.4	13.9	3.96	2.6	19	4.77	4.0	9.5
10.1	9.6	4.6	5.0	24.6	30.0	−0.7	10.2	5.20	4.5	13¼	2.77	4.8	6.6
10.8	13.4	6.9	6.9	6.3	0.3	6.4	10.7	4.58	4.8	13½	3.70	3.6	10.4
10.1	17.4	10.1	9.1	9.6	8.3	10.9	16.4	4.68	1.9	32¾	6.15	5.3	8.4
11.8	13.3	6.9	16.9	4.7	−8.0	—	6.0	3.65	6.9	—	—	—	—
41.4	19.2	8.7	12.4	19.3	2.7	8.5	18.6	4.20	2.5	19⅞	3.77	5.3	6.6
12.4	15.0	8.7	9.6	11.6	2.9	12.0	13.8	3.80	3.6	20	6.46	3.1	11.0
13.6	14.5	11.3	11.6	14.2	9.6	19.8	15.3	5.33	4.2	19⅝	4.23	4.6	6.3
11.5	12.1	13.1	14.0	17.4	13.7	7.4	17.8	5.37	2.5	22¾	3.65	6.2	4.4
30.1	31.8	13.6	14.1	12.8	18.1	43.8	17.9	3.23	2.0	42¼	8.34	5.1	6.0

*4-year average equals a compounded annual rate: 1979/1975. †From continuing operations after security gains or losses excluding extraordinary items. §Net interest income on a taxable equivalent basis as a percentage of average earning assets. C: Bank only.

1980 Annual Banking Survey

100 largest bank holding companies: a statistical profile

Rank	Total assets	Total deposits	% domestic demand deposits	Total loans	Loan loss debt % of loans	Charge-offs	Total investments	Total capital	Long-term debt % capital	Total operating income	Net income‡	Company and headquarters
	1979 size measures ($millions)											
51	$4,360	$3,247	43.1%	$2,439	1.2%	$6.9	$ 460	$341	36.6%	$394	$31.6	**Girard (Pa)**
52	4,327	2,941	39.2	2,143	1.1	7.3	722	320	29.8	381	32.7	**Mercantile Bancorp (Mo)**
53	4,060	3,240	57.4	2,100	2.3	19.8	610	251	10.4	383	24.5	**Citizens & Sthrn NB (Ga)**
54	3,898	2,652	47.6	1,937	1.1A	4.0A	571	253	11.8	339	28.4	**First Union Bancorp (Mo)**
55	3,732	2,709	34.4	2,264	1.1	9.7	525	275	24.1	329	25.9	**Maryland Natl (Md)**
56	3,663	3,102	39.8	1,816	1.3A	5.6	1,160	303	28.4	333	32.1	**Barnett Banks of Fla (Fla)**
57	3,558	2,736	45.2	1,751	1.2	6.6	613	250	19.5	289	25.2	**Southwest Bancshs (Tex)**
58	3,447	2,441	41.7	1,939	1.5	4.7	717	236	30.5	320	20.4	**BanCal Tri-State (Calif)**
59	3,426	2,583	32.1	2,075	0.7	6.1	358	394	39.4	348	37.2	**First Security (Utah)**
60	3,416	2,306	27.8	1,458	1.4	3.6	753	252	30.8	277	24.8	**Centran (Ohio)**
61	3,367	2,865	20.0	1,857	1.1	+0.4	626	214	17.8	264	13.0	**Bank of Tokyo Trust†† (NY)**
62	3,265	2,867	30.9	2,130	1.1	2.8	556	195	32.0	311	20.5	**Calif First Bank ‡‡ (Calif)**
63	3,225	2,118	20.8	1,941	1.4A	10.4A	612	278	39.5	329	24.9	**Industrial Natl (RI)**
64	3,216	2,496	38.3	2,141	1.1A	11.1A	546	313	40.4	311	29.6	**United Va Bankshs (Va)**
65	3,180	2,406	32.5	1,983	1.1	7.4	561	275	37.2	302	21.3	**Lincoln First Banks (NY)**
66	3,142	2,238	49.4	1,635	1.6	3.9	459	188	17.5	279	16.4	**Shawmut (Mass)**
67	3,121	2,203	41.3	1,659	1.6	4.6	534	263	41.5	311	24.1	**First Union (NC)**
68	3,110	2,419	38.3	1,611	1.1	3.5	605	198	20.9	253	18.4	**First Natl St Bancorp (NJ)**
69	3,019	2,378	28.7	1,688	1.4	5.4	729	242	15.1	266	28.0	**Society (Ohio)**
70	3,000	2,075	56.3	1,505	1.3	15.1	233	232	32.5	298	18.4	**First Atlanta (Ga)**
71	2,929	2,254	40.2	1,638	1.1	4.0	547	244	23.6	259	24.8	**Texas Amer Bancshs (Tex)**
72	2,880	2,280	41.3	1,677A	1.6A	4.0A	589	209	19.1	248	24.9	**Midlantic Banks (NJ)**
73	2,872	2,502	41.2	1,433	1.2	6.0	789	224	17.3	236	23.4	**Sun Banks of Florida (Fla)**
74	2,856	1,968	60.0	1,359	1.8	6.5	379	205	22.5	274	27.7	**Trust Co of Georgia (Ga)**
75	2,849	2,433	37.2	1,617	0.9	5.9	660	189	8.3	254	22.7	**BayBanks (Mass)**
76	2,837	2,163	38.8	1,857	1.4A	8.8A	291	226	36.8	284	7.4	**Fidelcor (Pa)**
77	2,764	2,103	48.5	1,646A	1.0A	6.3A	359	185	28.8	265	17.8	**CBT (Conn)**
78	2,730	1,802	33.7	1,454	1.4	3.2	441	169	12.8	254	19.1	**American Fletcher (Ind)**
79	2,700	2,135	42.3	1,465	1.4A	5.5A	520	230	30.1	244	22.0	**First Tenn Natl (Tenn)**
80	2,687	2,183	43.7	1,348	1.2	5.2	468	168	3.9	221	21.8	**Riggs Natl Bank‡‡ (DC)**
81	2,671	2,108	42.3	1,544	1.5	5.7	538	239	25.3	233	25.1	**Alabama Bancorp (Ala)**
82	2,661	2,053	25.3	1,481	0.9	2.2	825	161	26.3	239	8.5	**Equimark (Pa)**
83	2,653	2,143	40.6	1,470	1.5	3.7	543	214	8.2	228	23.2	**Commerce Bancshs (Mo)**
84	2,598	1,635	56.1	1,102	1.8	5.0	572	204	37.4	249	16.0	**State Street Boston (Mass)**
85	2,591	2,092	48.1	1,286	1.4	2.5	287	125	29.6	226	9.8	**Hartford Natl (Conn)**
86	2,553	1,942	34.0	1,349	1.1	4.5	495	176	13.9	235	21.6	**Huntington Bancshs (Ohio)**
87	2,525	1,946	41.3	1,521	0.9	6.0	470	165	32.7	204	13.1	**United Jersey Banks (NJ)**
88	2,524	2,121	34.5	1,503	1.2	6.4	570	235	21.7	238	30.2	**Banc One (Ohio)**
89	2,521	2,079	35.6	1,480	1.1	7.4	516	225	36.1	253	21.3	**Virginia Natl Bankshs (Va)**
90	2,499	1,920	53.5	1,369	0.9A	13.5A	277	177	24.9	229	16.0	**First Natl Bancorp (Colo)**
91	2,488	1,820	38.7	1,521	1.6	2.5	511	260	26.0	237	23.6	**Provident Natl (Pa)**
92	2,473	2,146	31.0	1,603	1.2	3.8	359	134	6.4	241	15.0	**Lloyd's Bank Calif††‡‡ (Calif)**
93	2,472	2,046	35.3	974	1.2	9.5	565	137	17.8	223	18.0	**Banco Popular‡‡ (PR)**
94	2,451	1,906	36.8	1,177	1.4	2.2	445	116	32.7	242	16.5	**New Eng Merchants (Mass)**
95	2,370	1,848	48.1	1,321	1.1	5.2	395	207	34.1	228	20.2	**United Banks of Colo (Colo)**
96	2,342	1,822	43.6	1,321	1.2	3.1	492	204	5.8	197	22.4	**Fidelity Union Bncp (NJ)**
97	2,318	1,849	29.2	1,349	1.1A	2.4A	341	163	5.4	209	21.7	**American Security (DC)**
98	2,318	1,612	30.3	1,607	1.0A	11.8	329	246	38.8	246	14.9	**Bank of Virginia (Va)**
99	2,297	1,735	37.5	1,345	1.3	3.3	376	191	35.6	217	15.2	**First & Merchants (Va)**
100	2,293	1,954	42.0	1,270	1.1	3.7	581	187	13.5	204	15.8	**Fin Gen Bancshs (DC)**
			35.5		**1.2**				**26.5**			**MEDIANS**

‡From continuing operations before security gains or losses and extraordinary items. ††Company not publicly traded; stock data not available. ‡‡Bank only; not organized as a holding company. A: Includes leases.

Growth measures*							Profitability & cost measures			Stock data			
Average assets		Equity per share		Earnings per share†		Dividend							
4-year average	1979 vs 1978	4-year average	1979 vs 1978	4-year average	1979 vs 1978	4-year average	Return on equity 4-yr avg	Net interest margin§ 1979	Overhead times NI 1979	Recent price	1979 EPS†	P/E ratio	Current yield
4.9%	5.5%	6.1%	10.1%	16.2%	31.3%	3.5%	11.5%	4.18%	3.4	19½	$6.08	3.2	10.3%
10.2	15.6	6.7	8.9	8.2	20.2	1.3	13.8	3.82	2.8	21¼	5.48	3.9	10.9
6.2	2.6	3.4	14.1	9.5	125.7	–41.7	5.2	5.57	7.0	5⅝	0.79	7.1	4.3
10.7	12.6	8.1	8.9	11.1	11.4	5.5	13.2	3.89	3.1	26½	5.95	4.5	8.3
10.7	12.0	8.7	10.0	5.1	17.9	4.0	12.0	5.18	4.4	12¾	3.49	3.7	6.9
11.8	17.0	7.9	12.3	31.7	34.4	5.4	11.9	5.71	4.4	18¼	3.67	5.0	5.5
12.6	15.4	8.5	8.1	11.8	0.5	6.6	13.1	4.34	3.2	22⅝	3.70	6.1	6.2
2.8	7.1	6.7	9.9	61.4	14.4	–10.2	11.4	4.46	5.3	27⅝	4.21	6.6	4.1
14.6	10.2	12.4	11.1	13.3	9.6	9.9	17.5	5.00	2.9	18⅛	2.97	6.1	4.7
10.3	17.2	7.0	8.8	8.9	23.8	6.2	12.3	4.28	3.4	21½	5.78	3.7	11.2
12.5	10.0	8.4	8.4	10.5	2.4	—	8.4	1.92	1.8	—	—	—	—
24.5	15.1	9.5	13.2	20.7	30.1	17.8	13.9	4.88	5.2	16½	3.50	4.7	6.5
9.5	14.9	7.9	9.4	19.4	24.4	4.7	13.6	4.14	3.5	16½	3.92	4.2	9.7
6.4	2.6	7.4	10.9	21.1	18.7	6.5	13.0	5.29	4.1	22⅛	4.89	4.5	7.2
5.8	5.2	4.9	5.8	12.0	7.3	0.8	10.6	4.57	5.5	19¾	4.86	4.1	10.1
6.3	5.3	5.0	7.3	66.1	60.6	–7.5	6.9	4.54	6.4	36	7.92	4.5	7.8
9.3	18.5	7.8	11.4	32.8	25.1	2.7	12.1	4.74	4.6	11½	3.39	3.4	8.3
9.2	7.7	4.8	6.2	8.3	15.4	1.8	10.8	4.13	4.3	17¾	4.43	4.0	12.4
9.1	10.1	7.2	5.8	13.1	15.0	12.1	13.0	4.93	3.3	15½	3.98	3.9	8.5
5.7	10.0	5.9	8.3	22.7	14.7	2.4	10.9	5.80	6.0	11¼	2.58	4.4	7.8
12.6	14.0	10.0	10.7	14.7	10.9	13.6	13.8	4.74	3.0	22¼	4.27	5.2	5.6
12.1	26.3	3.9	5.4	36.1	58.2	1.9	12.0	5.55	3.6	24	7.80	3.1	9.8
10.1	15.9	5.4	9.4	36.6	27.0	5.4	9.5	5.55	4.6	12	2.02	5.9	6.7
11.1	15.8	8.3	13.5	99.9	34.1	4.8	13.6	6.39	4.1	28¾	5.43	5.3	6.3
9.6	7.2	6.5	9.7	15.6	25.0	4.3	11.2	5.54	4.4	25¼	7.41	3.4	9.9
–0.8	–6.7	–1.6	2.8	–28.2	D-P	–59.3	3.1	3.63	23.0	10¼	0.81	12.7	2.3
9.0	10.1	5.8	9.3	18.2	42.3	4.3	10.6	5.00	5.2	22¾	6.12	3.7	9.7
5.1	9.0	7.4	10.1	11.1	8.3	1.3	11.8	3.93	3.8	13¾	4.16	3.3	9.0
9.9	9.6	8.0	9.9	33.0	13.7	11.9	11.9	5.57	4.1	10⅛	2.41	4.2	8.3
11.9	15.5	7.2	9.3	10.6	20.2	6.2	12.6	4.92	2.8	35¼	7.26	4.9	8.5
10.4	11.4	9.1	9.6	9.3	3.6	5.7	15.1	5.42	3.2	20	3.43	5.8	6.6
10.7	1.2	2.1	1.2	–7.6	–28.4	2.2	9.5	2.77	7.6	8⅝	1.51	5.7	11.1
11.7	19.7	8.1	10.5	11.7	4.4	9.3	12.3	5.49	3.3	18¾	4.73	4.0	8.5
5.6	17.4	4.3	12.6	25.3	88.3	–8.3	7.3	4.72	6.0	24¼	6.78	3.6	8.2
6.5	18.6	6.3	10.3	D-P	40.0	–7.8	7.9	3.96	8.0	13	3.29	4.0	10.8
14.3	15.1	9.3	10.3	23.5	13.2	4.8	13.7	4.86	3.6	24	6.79	3.5	8.3
7.1	4.0	4.7	6.3	11.4	12.7	0.0	10.9	4.28	5.3	9⅜	2.40	3.9	11.1
12.5	15.8	11.7	12.1	15.5	17.1	13.4	17.2	6.04	2.6	22	4.31	5.1	7.5
8.7	8.0	8.8	10.1	15.7	12.5	6.0	14.3	5.91	4.9	11⅝	3.06	3.8	8.9
11.1	13.0	9.0	8.7	15.5	–6.7	5.7	13.4	6.02	5.5	14	3.36	4.2	7.7
8.6	17.9	6.5	9.2	13.4	8.4	4.2	9.1	4.43	3.5	20½	5.01	4.1	11.0
15.2	23.0	10.6	27.5	33.2	41.1	—	10.0	5.32	5.6	—	—	—	—
21.6B	17.4B	8.9	14.2	20.1	44.6	7.0	13.3	5.30C	4.9	22½	6.06	3.7	6.4
11.2	16.5	9.4	11.3	23.0	37.6	4.0	14.6	4.25	3.8	18⅝	6.00	3.1	9.7
15.3	15.4	8.0	10.4	15.9	15.9	6.7	14.6	6.00	4.1	27	4.73	5.7	5.9
8.9	13.8	6.2	6.8	8.5	8.1	3.0	11.9	5.50	3.3	24½	5.87	4.2	11.4
16.0	20.7	9.3	10.1	9.1	11.1	4.5	15.0	3.93	1.9	26	5.90	4.4	8.5
8.7	8.7	5.0	5.8	3.8	3.9	5.0	10.1	6.20	6.4	11⅝	2.93	4.0	10.0
5.6	6.8	5.3	7.2	7.3	16.5	1.8	10.1	4.74	5.8	17¼	4.09	4.2	9.3
7.1	7.3	9.8	11.6	31.6	16.6	6.6	12.7	5.63	5.6	17¼	2.25	7.7	2.3
10.8	**15.0**	**8.4**	**10.0**	**13.4**	**16.0**	**5.7**	**12.7**	**4.40**	**4.1**	—	—	**4.4**	**8.3**

*4-year average equals a compounded annual rate: 1979/1975. †From continuing operations after security gains or losses excluding extraordinary items. §Net interest income on a taxable equivalent basis as a percentage of average earning assets. D-P: Deficit to profit. B: Growth based on year-end assets. C: Bank only.

on only 58%. Many other banks were in similar or worse shape. (The lag between the cost of money and the price of money, of course, works in the banks' *favor* when interest rates decline. But when will that be?)

Yet another window has been closed to the banks this time. In the past it was usually possible to raise lendable money by selling off holdings of Treasury securities and tax-exempt bonds. But with the bond market in collapse, that course would involve prohibitive losses.

There's another problem: debt. Citicorp, the country's second-largest bank holding company, is also the second most heavily leveraged big bank in America, with 55.6% of its total capital in long-term debt (up from 50.5% in 1978). Marine Midland has nearly half of its capital in debt; Chase Manhattan, Manufacturers Hanover, Chemical, Irving Bank and California's Wells Fargo all have more than a third.

Debt represented by bonds is less onerous than the liability of certificates of deposit. Citicorp argues, in fact, that debt earns its own redemption and therefore is really a source of retained earnings equity. With bonds, so long as they carry a fixed rate, the cost doesn't rise with interest rates. But debt is still debt and the banking authorities would rather see the system financed with equity capital. But how can it be? Most bank stocks today sell well below book value. Selling equity would involve merciless dilution for existing shareholders.

Reflecting all these woes, bank stocks have collapsed this year. Citicorp is down 36%, BankAmerica down 29% and First Chicago down 33%. The decline in bank stocks has been two-and-one-half times greater than that for the Dow Jones industrials. Chase Manhattan now sells at a discount of nearly 43% from its book value and Chase has plenty of company. Rumors are rife that some spectacular failures—like that of Franklin National in 1974—are imminent. Warren Marcus, a partner and senior bank analyst at Salomon Brothers, expects regional banks to turn in better results than the large money-center banks because the former are not nearly as dependent on the money market for raising funds.

FORBES' profile of the 100 largest bank holding companies begins on page 104. The figures contain clues to the banks most likely to hold up well in this environment. Well-capitalized banks show up generally as those with the smallest amount of debt to capital. Generally, they are the banks which will, in effect, have low-cost money readily available to lend and invest at 19%-plus.

But for many banks the situation is extremely hairy. You can say this for sure: Banking is no longer a quiet, dull business. ■

The 50 largest trust operations

The amount of money managed by bank trust departments grew handsomely last year, thanks in large part to a rousing market. Among the top five, Citicorp drew closer to J.P. Morgan, and Manufacturers Hanover, sixth last year, jumped past Bankers Trust and Mellon to number three.

		—Market value of trust assets*—		—Trust department revenues—		
1979 rank	Company	1979 (millions)	% increase over 1978	total (thousands)	% change from 1978	% of total operating revenues
1	**JP Morgan**	$30,368	16.7%	$128,058	9.7%	3.5%
2	**Citicorp**	25,459	29.3	88,208	9.6	0.8
3	**Manufacturers Hanover**	16,956	74.0†	56,042	23.1	1.5
4	**Bankers Trust**	14,455	10.8	61,078	8.4	2.2
5	**Mellon National**	12,323	5.1	24,436	7.1	2.1
6	**Harris Bankcorp**	11,643	4.8	33,909	20.8	5.8
7	**US Trust**	9,608	4.0	49,128	4.6	25.0
8	**Chase Manhattan**	9,391	0.3	62,610	3.3	1.0
9	**First Chicago**	8,957	33.7	36,171	8.0	1.4
10	**Western Bancorp**	8,331	23.9	38,376	12.4	1.4
11	**Chemical New York**	8,202	18.5	44,072	11.2	1.3
12	**Northern Trust**	7,800	17.9	41,940	9.1	8.6
13	**Continental Illinois**	7,643	10.6	37,434	8.4	1.1
14	**First Bank System**	7,463	3.1	28,760	7.4	2.7
15	**National Detroit Corp**	7,454	–1.3	24,754	8.7	3.0
16	**Provident National Corp**	7,441	57.3	20,344	32.2	8.6
17	**Wells Fargo**	7,153	10.5	29,029	20.4	1.4
18	**Wilmington Trust**	6,729	10.3	10,259	5.9	7.7
19	**First National Boston**	6,273	1.9	34,256	10.3	2.1
20	**Crocker National**	5,986	21.3	22,710	19.3	1.4
21	**BankAmerica**	5,850	–2.5	54,482	10.5	0.6
22	**Bank of New York**	5,633	1.0	51,616	20.2	6.5
23	**AmeriTrust**	5,259	13.6	23,539	9.8	4.8
24	**The Boston Co**	4,900	–22.6	23,079	0.2	67.3
25	**Fiduciary Trust Co of NY**	4,814	25.4	16,377	18.2	82.8
26	**Northwest Bancorp**	4,512	7.1	24,389	11.0	2.1
27	**Capital Guardian Trust**	4,500	11.7	NA	NA	NA
28	**First Union Bancorp**	4,467	2.5	14,780	12.0	4.4
29	**Girard**	4,200	9.1	18,562	10.0	4.7
30	**Security Pacific**	3,950	6.1	30,031	12.0	1.2
31	**First Intl Bancshares**	3,853	13.8	16,149	15.4	1.5
32	**Republic of Texas**	3,721	20.3	17,599	14.9	1.9
33	**National City Corp**	3,508	12.9	12,932	15.2	3.3
34	**Irving Bank**	3,279	14.7	23,465	3.8	1.8
35	**First City Bancorp**	3,144	55.3	11,026	3.8	1.4
36	**DETROITBANK**	3,140	11.1	12,829	1.4	2.9
37	**First Pennsylvania**	3,101	16.7	14,680	15.6	1.5
38	**Wachovia**	3,062	3.2	15,735	11.6	3.6
39	**American Natl (Chicago)**	2,876	31.7	9,453	15.2	4.6
40	**Trust Co of Georgia**	2,874	11.3	13,934	10.6	5.1
41	**First Wisconsin**	2,796	11.9	11,278	8.5	2.6
42	**Citizens & Southern NB**	2,778	–32.1	9,273	–6.0	2.4
43	**Marine Midland**	2,778	6.3	18,191	6.7	1.3
44	**Mercantile Bancorp**	2,756	15.3	9,792	8.5	2.6
45	**Boatmen's Bancshares**	2,735	9.8	5,572	14.1	3.9
46	**Manufacturers Natl**	2,692	–1.1	8,149	21.7	2.0
47	**State Street Boston**	2,614	16.2	21,957	23.1	8.8
48	**Mercantile Bankshares**	2,584	11.2	12,916	9.1	11.6
49	**American Fletcher**	2,584	15.1	6,362	21.4	2.5
50	**Pittsburgh National**	2,568	12.0	16,274	7.1	3.5

*Includes only accounts over which the bank exercises investment discretion. †Figures for 1978 do not include Lionel D. Edie & Co. acquisition. NA: Not available.

Breakfast at Tiffany's

IF YOU'VE ALWAYS LUSTED after a few shares of AT&T, but never felt you could afford it, now may be your chance; they're now almost as cheap as they have been at any time in the past five years. In fact, all 199 of the NYSE stocks below have sunk at least 20% below their 1979 highs. Though not all are blue chips, all made at least some profit in the latest 12 months. Look at some of the names: Citicorp, selling at a five-year low; BankAmerica; American Express.

Each industry category was limited to ten stocks; otherwise, financial institutions (highly sensitive to interest rates) and utilities (to energy prices) would have swamped the list. Some of the nation's largest savings and loan institutions are in the bargain bin—Gibraltar Financial, selling for half its 1979 high; Great Western; Fidelity Financial. Not surprisingly, the struggling construction and automotive industries are taking a beating—such as Johns-Manville, General Motors or General Tire. But so are first-rate consumer-goods and food companies like Avon, Gillette, Procter & Gamble, Philip Morris, Revlon, Coca-Cola and General Foods; and high-technology companies like Memorex (down 65%), Sony, Zenith Radio, Pioneer Electronic and Johnson Controls.

Chances are, companies like these will continue to be good long-term bets. Though they still aren't cheap, compared with last year's prices they could be real bargains for the quality-conscious investor. Think of it as a clearance sale at Tiffany's. ■

Name brands, bargain prices

Company	Decline from 1979 high	Recent price	Five-year price range high-low	Latest 12-month earnings per share	Price/earnings ratio	Indicated dividend	Yield
Apparel							
Bobbie Brooks	48%	3¼	7⅞– 1⅜	$ 0.23	14	—	—
Cluett, Peabody	37	7⅞	14⅞– 3¼	1.78	4	$0.68	8.6%
Jonathan Logan	52	7¾	18¾– 4¾	1.07	7	0.60	7.7
Palm Beach	26	14¼	20⅝– 2⅛	3.58	4	1.20	8.4
Automotive							
Allen Group	22	13⅜	17¼– 3¼	2.44	5	1.00	7.5
Champion Spark Plug	35	9	14⅝– 8¾	1.49	6	0.80	8.9
Eaton	24	22½	30½–13⅛	5.89	4	1.72	7.6
Firestone Tire & Rubber	48	7¼	26 – 7⅛	0.37	20	0.60	8.3
General Motors	28	47½	78⅞–31¼	10.04	5	5.45	11.5
General Tire & Rubber	40	15¾	30⅝– 9⅝	3.44	5	1.50	9.5
Genuine Parts	21	21¼	28⅜–15½	2.24	9	1.04	4.9
Goodyear Tire & Rubber	40	11¼	25¼–10¾	2.52	4	1.30	11.6
Raybestos-Manhattan	46	18¼	37 –10¾	2.24	8	1.60	8.8
Sheller-Globe	47	6	15⅜– 4⅛	1.08	6	0.30	5.0
Bank holding companies							
BankAmerica	32	21⅛	30⅞–15⅜	4.10	5	1.32	6.2
Citicorp	33	17⅞	39 –17⅞	4.36	4	1.30	7.3
Crocker National	30	24¾	35⅛–14⅞	6.69	4	2.20	8.9
First Chicago	31	13⅝	27¾–13½	2.91	5	1.20	8.8
First National State Bancorp	30	17¾	26⅝–16¾	4.47	4	2.20	12.4
First Pennsylvania	60	6	22 – 6	1.06	6	0.44	7.3
National Detroit	32	24	35⅛–14¾	6.77	4	2.00	8.3
NCNB	32	11¼	16⅝– 7⅝	2.46	5	0.72	6.4
Northwest Bancorp	34	19⅜	29¼–17	4.25	5	1.32	6.8
Security Pacific	28	24⅜	34¾–11⅞	5.97	4	1.80	7.3
Chemicals and synthetics							
Du Pont	31	33¼	53¾–29	6.42	5	2.75	8.3
Essex Chemical	31	9¾	17⅝– 2½	2.03	5	0.80	8.2
Ferro Corp	38	18⅛	35 –10⅛	4.07	4	1.20	6.6
International Flavors & Fragrances	34	17	35⅛–16¾	1.68	10	0.80	4.7

Name brands, bargain prices

Company	Decline from 1979 high	Recent price	Five-year price range high-low	Latest 12-month earnings per share	Price/earnings ratio	Indicated dividend	Yield
Closed-ends and REITs							
American General Bond Fd	28%	16⅛	25⅝–15¼	$17.82†	10‡	2.00	12.4%
CNA Income Shares	27	8⅝	13⅜– 8⅜	9.61†	10‡	1.14	13.2
Current Income Shares	31	8	12⅞– 7¾	9.56†	16‡	1.10	13.8
Equitable Life Mortgage	34	13½	27½–11½	1.79	8	2.00	14.8
InterCapital Income Securities	30	14⅞	24¾–14	16.48†	10‡	1.92	12.9
Japan Fund	45	7¼	13⅛– 5⅜	9.50†	24‡	1.32	18.2
MassMutual Corporate Investors	26	12¾	18¾–11¾	21.97†	42‡	1.72	13.5
Montgomery St Income Securities	30	14⅝	23⅞–14⅜	15.93†	8‡	1.80	12.3
Realty ReFund Trust	44	9	22⅜– 8½	1.49	6	1.49	16.6
Transamerica Income Shares	27	16	24¼–14¾	17.82†	10‡	2.04	12.8
Conglomerates							
American Can	28	29½	43¾–28	6.18	5	2.90	9.8
AMF	31	12¾	24⅜– 9⅝	2.59	5	1.24	9.7
Dayco	38	11	18½– 6½	3.63	3	0.56	5.1
Eagle-Picher	33	17¼	25⅝– 6½	3.03	6	0.88	5.1
Emhart	43	24	45 –12½	4.38	5	2.40	10.0
Minnesota Mining	28	47¾	68 –43	5.59	9	2.80	5.9
Norton Simon	34	11⅝	23 – 9⅞	2.58	5	1.04	8.9
Purolator	35	23	45½–17⅜	3.85	6	1.36	5.9
Questor	43	5¾	12½– 3⅜	0.88	7	0.20	3.5
Transamerica Corp	27	14⅞	20⅜– 6	3.66	4	1.12	7.5
Construction							
Armstrong Cork	28	13⅜	32⅞–12⅜	2.58	5	1.10	8.1
Boise Cascade	28	29⅛	42½–10½	6.52	4	1.75	6.0
Clark Equipment	32	30¾	46½–22⅜	7.43	4	2.20	7.2
Johns-Manville	28	20	38¼–19	4.13	5	1.92	9.6
Masonite	28	22⅛	30⅞–14⅞	3.49	6	1.32	6.0
Overhead Door	24	14	18½– 5¼	2.95	5	1.00	7.1
Penn-Dixie Industries	52	3	6⅞– 2¾	0.74	4	—	—
Consumer goods							
Avon Products	42	32⅝	63 –27⅞	4.17	8	2.80	8.6
Clorox	38	8½	15⅞– 6⅛	1.43	6	0.76	8.9
Colgate-Palmolive	37	12⅜	34⅞–12	1.39	9	1.08	8.7
Gillette	27	20⅝	38⅞–20	3.67	6	1.72	8.4
Philip Morris	21	30⅜	38⅝–20½	4.08	7	1.60	5.3
Procter & Gamble	30	63	100¾–63	7.45	8	3.40	5.4
Purex Industries	23	14¼	20⅛– 7¾	2.41	6	1.28	9.0
Revlon	34	36⅛	59 –23⅜	4.60	8	1.56	4.3
Unilever NV	22	52½	67¼–32½	11.44	5	4.40	8.4
US Tobacco	28	26¾	37⅜–13¾	3.60	7	2.08	7.8
Electronics							
Craig	63	4⅞	16⅜– 2	0.31	16	—	—
Johnson Controls	26	23½	34½– 4	3.33	7	1.20	5.1
Matsushita Electric Industrial	29	26½	38⅞–10⅞	3.40	8	0.35	1.3
Memorex	65	13¾	60¾– 1½	3.91	4	—	—
Northern Telecom	24	35½	48 –16¼	3.70*	10	1.00*	2.8
Pioneer Electronic	40	13⅝	22⅝– 3½	1.42	10	0.25	1.8
Plantronics	33	15	23⅞– 2	1.38	11	0.16	1.1
Sony	38	6⅝	10¾– 4	0.34	19	0.10	1.5
Square D	26	18¾	29⅞–14¾	2.97	6	1.60	8.5
Zenith Radio	44	8⅝	40⅝– 8⅝	1.01	9	0.60	7.0
Food and beverage							
Coca-Cola Bottling (NY)	34	4⅞	10½– 4¾	0.44	11	0.44	9.0
Coca-Cola	37	29¼	47⅝–26⅝	3.34	9	2.16	7.4
General Foods	32	25	37 –18⅜	5.07	5	2.00	8.0
General Mills	32	20⅝	35⅜–19	3.29	6	1.32	6.4
Gerber Products	32	20⅞	39½–12⅛	3.37	6	1.62	7.8
International Multifoods	37	15⅛	25½– 8⅞	3.08	5	1.20	7.9
Oscar Mayer	34	16¾	26 – 9⅞	2.86	6	1.10	6.6
Royal Crown Cos	31	11⅜	23⅜– 8⅞	2.01	6	1.04	9.1
Universal Foods	42	12⅜	23 – 4⅞	1.70	7	0.96	7.8
Ward Foods	54	5⅝	12⅛– 4⅛	1.46	4	—	—

Company	Decline from 1979 high	Recent price	Five-year price range high-low	Latest 12-month earnings per share	Price/ earnings ratio	Indicated dividend	Yield
Food chain stores							
Borman's Inc	56%	3¾	9⅞– 1¼	$0.57	7	$0.20	5.3%
Dillon Cos	37	15	23⅞– 8⅞	1.82	8	1.08	7.2
Fisher Foods	56	6⅞	16⅞– 6⅞	0.52	13	0.40	5.8
Kroger	44	15¼	27 – 7⅞	3.13	5	1.36	8.9
Lucky Stores	20	14¼	18½– 7⅛	2.01	7	1.12	7.9
Safeway Stores	36	28¼	52⅝–27½	5.49	5	2.60	9.2
Southland Corp	35	20¼	32¾–13⅝	3.12	6	0.84	4.1
Winn-Dixie Stores	26	25	34¾–20⅞	3.36	7	1.68	6.7
Health products and services							
American Home Products	21	23⅜	43¼–23⅛	2.51	9	1.60	6.8
Baxter Travenol	24	37½	51⅝–28¼	3.14	12	0.64	1.7
Frigitronics	55	8⅜	24⅞– 6⅞	1.21	7	0.30	3.6
Hillenbrand Industries	25	28¾	38⅛–12¼	5.10	6	1.30	4.5
IPCO	38	4⅛	9¼– 2⅜	0.29	14	0.12	2.9
Eli Lilly	23	49¼	79¾–32⅝	4.52	11	2.10	4.3
Industrial goods							
Allis-Chalmers	32	26⅜	38⅝– 6⅝	6.23	4	2.00	7.6
Baldor Electric	41	14½	24⅝– 3⅛	1.50	10	0.24	1.7
Chicago Pneumatic Tool	32	19⅞	35¾–18¾	4.70	4	2.00	10.1
General Steel	30	7¾	11 – 1¾	1.31	6	0.40	5.2
Gleason Works	31	17½	25¾– 4⅝	3.91	4	0.80	4.6
Illinois Tool Works	26	21⅞	30 –17	2.98	7	1.00	4.6
Lamson & Sessions	48	11	21 – 4⅞	3.03	4	0.80	7.3
Richardson Co	48	18¼	35 – 8	2.12	9	1.30	7.1
Twin Disc	27	16½	24½– 6¼	3.33	5	1.10	6.7
Insurance and other financial							
American Express	31	25½	45 –24¾	4.83	5	1.80	7.1
Beneficial Corp	43	18¼	32⅛–14⅛	4.24	4	2.00	11.0
Colonial Penn	42	15¾	41¾–15¾	4.48	4	1.40	8.9
Dial	45	14½	26½– 6¼	3.36	4	1.20	8.3
Federal Natl Mtge Assn	34	12⅞	19⅞–11⅞	2.81	5	1.28	9.9
Household Finance	36	14⅛	22⅛–11⅞	3.33	4	1.55	11.0
Jefferson-Pilot	38	23½	38¾–23½	4.43	5	1.20	5.1
MGIC Investment	52	18½	38⅜– 8⅛	3.36	6	1.12	6.1
USLIFE	30	19½	28 – 9¼	3.91	5	0.68	3.5
Washington National	46	21¼	39 – 9½	4.62	5	1.50	7.1
Miscellaneous							
American Broadcasting	37	30	47⅝– 8¾	5.67	5	1.60	5.3
American District Telegraph	39	16⅜	36 –16⅜	2.73	6	1.16	7.1
Chelsea Industries	49	7⅜	14½– 4⅝	2.54	3	0.60	8.1
Clevepak	49	5¾	14⅞– 3⅝	0.64	9	0.60	10.4
Esquire	47	12½	23⅜– 3¾	3.33	4	0.70	5.6
Fleetwood Enterprises	47	6¾	20⅝– 6½	0.13	52	0.52	7.7
EF MacDonald	36	7⅛	14 – 1¼	1.16	6	0.40	5.6
Polaroid	64	20⅜	60¼–15	1.10	19	1.00	4.9
Rexham	48	11⅝	22½– 2⅝	2.07	6	0.60	5.2
Talley Industries	56	5½	15⅝– 5	0.67	8	—	—
Toro	49	15	29⅝– 3⅝	3.27	5	0.88	5.9
UMC Industries	39	11⅛	22⅜– 8½	2.30	5	1.20	10.8
Restaurants							
Collins Foods International	51	9	19⅜– 2⅛	2.17	4	0.32	3.6
Denny's	55	12	35 – 6⅜	2.60	5	0.88	7.3
McDonald's	29	37	66 –26¾	4.68	8	0.56	1.5
Ponderosa System	53	10⅞	30½– 3⅞	3.33	3	0.40	3.7
Retailing—department stores							
Allied Stores	30	19⅜	29⅝– 7⅞	4.24	5	1.70	8.8
Garfinckel, Brooks Bros	46	14¼	29⅛– 6⅞	2.97	5	1.30	9.1
King's Dept Stores	39	9⅞	18 – 5½	2.06	5	0.90	9.1
K mart	34	18⅞	43¾–18¼	2.96	6	0.84	4.5
Marshall Field	44	14½	35¼–14⅜	1.88	8	1.24	8.6
May Dept Stores	28	19⅞	36 –14¾	4.35	5	1.40	7.0
JC Penney	34	22	63¼–20⅝	3.61	6	1.76	8.0
Sears, Roebuck	30	15⅜	39⅝–14⅞	2.76	6	1.36	8.8

*Canadian. †Net asset value. ‡% discount from net asset value.

Name brands, bargain prices

Company	Decline from 1979 high	Recent price	Five-year price range high-low	Latest 12-month earnings per share	Price/ earnings ratio	Indicated dividend	Yield
Retailing—other							
Jack Eckerd	27%	22⅛	33¾–14⅝	$2.72	8	$1.00	4.5%
Edison Bros Stores	40	21	35 – 5⅞	3.87	5	1.32	6.3
Gap Stores	56	6	17⅝– 6	1.45	4	0.38	6.3
Melville	21	24¾	33⅞– 6⅝	4.04	6	1.60	6.5
Modern Merchandising	29	11⅛	19¾– 1¼	1.90	6	0.20	1.8
Morse Shoe	36	12⅛	20⅛– 1¼	3.01	4	0.72	5.9
Outlet	37	16	33⅝– 5⅜	2.15	7	1.00	6.3
Pay Less Drug Stores NW	39	15⅞	26 – 4⅛	2.45	6	0.60	3.8
Petrie Stores	45	23¼	49⅜–17	3.42	7	1.40	6.0
Thrifty Corp	43	9⅞	17¼– 4¼	1.46	7	0.72	7.3
Savings and loans							
HF Ahmanson	47	15	28¼– 6⅞	5.11	3	1.20	8.0
Fidelity Financial	56	6	13½– 2⅜	2.48	2	0.60	10.0
Financial Corp of America	47	10	19 – 1⅝	3.13	3	0.50	5.0
Financial Corp of Santa Barbara	44	11	19½– 2⅜	3.14	4	1.00	9.1
First Charter Financial	49	11⅛	21¾– 8⅝	3.05	4	0.80	7.2
Gibraltar Financial	53	7¾	16⅝– 2⅜	2.12	4	0.60	7.7
Great Western Financial	45	15¼	27¾– 7⅛	4.15	4	0.88	5.8
Imperial Corp of America	45	16¼	29⅝– 7½	5.24	3	1.20	7.4
Northern California S&L	50	11	21⅞– 4⅜	3.40	3	0.70	6.4
TRANSOHIO Financial	48	9⅛	17⅝– 3⅝	3.43	3	0.40	4.4
Transportation							
Airborne Freight	36	18	28¼– 3¼	2.17	8	1.20	6.7
Consolidated Freightways	28	20⅜	34 – 9⅛	5.06	4	1.30	6.4
Delta Air Lines	26	34⅞	58 –25⅜	5.21	7	1.20	3.4
Emery Air Freight	40	14⅛	28¾–13⅛	1.46	10	1.00	7.1
KLM Royal Dutch Airlines	51	30¾	82⅞–15	0.04	NM	3.49	11.3
Northwest Airlines	37	22¾	37⅛–11⅝	3.35	7	0.80	3.5
Pan American World Airways	42	4⅝	10¾– 2	1.07	4	—	—
Transcon Lines	55	6½	14½– 5⅞	0.58	11	0.60	9.2
Utilities—electric							
Eastern Utilities	31	10¾	19⅞– 8⅝	1.75	6	1.60	14.9
Hawaiian Electric	29	19⅝	28¼–16½	3.67	5	2.44	12.4
Middle South Utilities	31	11¼	17⅞–10¼	2.15	5	1.58	14.0
Ohio Edison	30	12¼	21½–11⅝	1.80	7	1.76	14.4
Philadelphia Electric	30	12¼	21¼–11⅛	1.86	7	1.80	14.7
Public Service Co of Indiana	31	18¾	31⅞–17⅝	3.77	5	2.32	12.4
Public Service Co of NH	33	14⅛	22½–11½	2.56	6	2.12	15.0
St Joseph Light & Power	29	9⅜	14⅛– 8⅞	1.31	8	1.26	13.4
Union Electric	31	10¼	16¾– 9⅜	1.73	6	1.44	14.0
Virginia Electric & Power	36	9½	15¾– 8¼	1.63	6	1.40	14.7
Utilities—gas or gas/electric							
Community Public Service	36	14¼	22¼–13⅞	2.48	6	1.88	13.2
Consumers Power	31	16⅜	25⅞– 9⅞	3.24	5	2.36	14.4
Gas Service	32	11	16¼– 8⅝	2.62	4	1.28	11.6
Kansas Gas & Electric	33	13¼	22⅜–11¾	1.84	7	1.94	14.6
Northern Ind Public Service	30	11¾	21¼–10⅞	1.79	7	1.50	12.8
Orange & Rockland Utilities	30	11	16¾– 7½	2.00	6	1.56	14.2
Rochester Gas & Electric	31	12⅛	19⅝– 9⅛	2.14	6	1.48	12.2
South Carolina Electric & Gas	30	12⅝	21 – 9¾	1.93	7	1.74	13.8
Toledo Edison	29	16½	27⅛–15¾	2.65	6	2.20	13.3
Washington Gas Light	31	18⅞	27½–12	2.76	7	2.40	12.7
Utilities—other							
American Tel & Tel	28	46¾	65⅝–44¾	8.04	6	5.00	10.7
Bell Canada	21	15⅝	19⅞–13⅝	2.64*	6	1.64*	10.5
Central Tel & Util	22	22⅜	28¾–16½	3.34	7	2.00	8.9
Communications Satellite	27	34⅝	49⅝–23	5.02	7	2.30	6.6
Continental Telephone	26	13⅛	17⅞–10	2.15	6	1.36	10.4
General Tel & Electronics	22	24	33½–16⅞	4.20	6	2.72	11.3
Mountain States Tel & Tel	26	20	29¼–16¼	3.48	6	2.32	11.6
Pacific Tel & Tel	24	11¾	18⅞–11⅜	1.84	6	1.40	11.9
United Telecommunications	32	14⅝	21½–12½	2.63	6	1.52	10.4

*Canadian. NM: Not Meaningful.

APRIL 28, 1980

TWO DOLLARS

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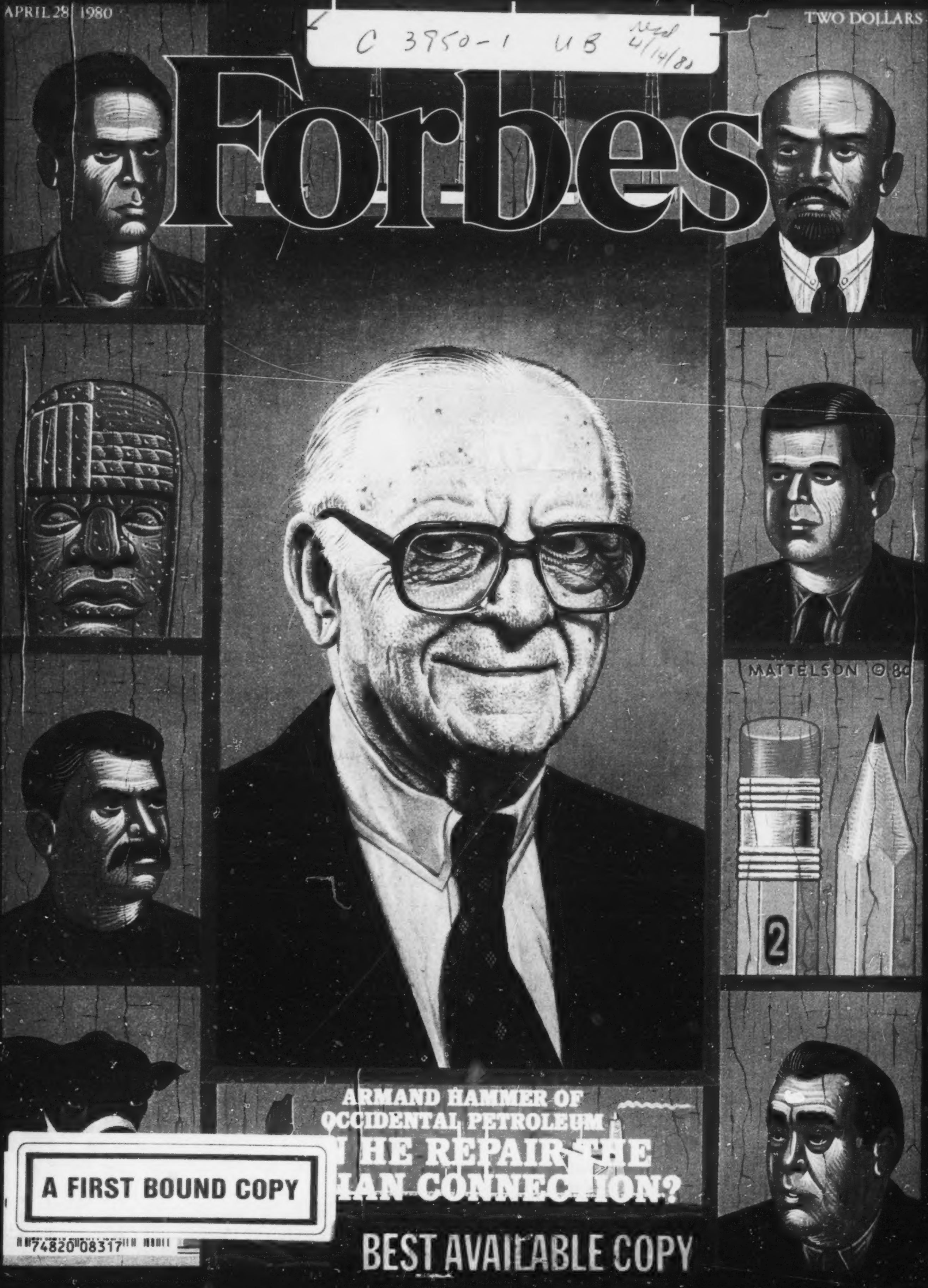
Forbes



ARMAND HAMMER OF OCCIDENTAL PETROLEUM

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Forbes

April 28, 1980
Volume 125, Number 9

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Property and casualty companies came close to disaster in the mid-Seventies by playing the stock market. Are they making the same mistake now by slashing prices to buy bonds?

Here we go again?

By Ben Weberman

IN THE $90 BILLION (premiums written) property and casualty insurance business, they tend to talk about the painful cycles in underwriting losses as if they were acts of God, like locust plagues or droughts or severe winters. The cycles come and go and there isn't much the poor businessman can do but ride them out. That's the *myth*. The truth is that the cycles are partly self-inflicted by the industry. Right now it looks as if the industry is afflicting itself with a bad outbreak of underwriting losses.

It's a fact of life in the property and casualty business that the companies often lose money on their policies; that is, the premiums, net of commissions and other expenses, frequently fall short of the claims. How do the companies stay in business? Because they collect premiums in advance and because they have built up reserves, the companies always have plenty of money to invest. They make enough on their investments to cover the underwriting losses and allow a profit on the margin.

What tends to make this a boom or bust industry is that the underwriting losses ebb and flow in a regular cycle. At the worst part, the losses eat up most or all of the investment profits.

That was the case for most companies at the bottom of the previous underwriting cycle. Take INA Corp., which ranks among the top ten property-casualty companies and writes almost $3 billion a year in premiums. The property-casualty group had $297 million of investment income last year. That was more than ample to offset $85 million of insurance losses, generating a pretax profit of $213 million. In 1975, when claims were high and investment income low, the company lost $2 million. This resulted from an underwriting loss of $129 million, which exceeded the $127 million of investment and other income.

In part the cycle is a product of inflation. In a period of rapidly rising prices, claims rise faster than premiums. Where the damage is self-inflicted, however, is when the participants begin to shave premiums to lure business from rivals. That is what is happening right now. Reports are rife about major companies offering to cut rates by 10% to 25% or more to get new business even though they know inflation is going to raise the cost of their claims. Why are companies reaching for business when a recession is pending and inflation is at a high rate? They are doing it because they are dying to get their hands on premiums so that they can invest the money at current high interest rates.

The situation has gotten so hairy that Conning & Co., the well-known Hartford insurance stockbroker, thinks the industry's combined underwriting ratio will worsen by as much as 4 percentage points this year and another 4 to 6 in 1981. This key ratio expresses the relationship between expenses and claims on the one hand and premiums on the other. This ratio was 97.4% in 1978 and 100.7% in 1979; so, if Conning is right, it could be as high as 110% in 1981. Higher investment income will moderate the decline in net earnings, Conning predicts, but the whole situation raises a very basic question: What is the point of

Richard E. Stewart of Chubb Corp.
"A loss reserve is a hostage to fortune."

higher investment income if the cost of getting the money to invest more than eats up the extra income?

Most casualty companies are still counting on large investment income profits to more than offset underwriting losses. That kind of optimism almost led to disaster in the mid-1970s, when many casualty companies faced insolvency after the stock market fell out of bed and their portfolios of high-performance common stocks lost 40% of their market value over two years. Those losses came close to wiping out the statutory surpluses for some of the country's largest property and casualty insurers.

Did they learn their lesson? Hardly. The companies are still competing too aggressively for premiums, but this time the new cash is going into fixed-income securities rather than common stocks. Yields of 16% or more on money market instruments, 14% or more on corporate bonds, and unheard-of 10% yields on tax-exempts are irresistibly attractive.

Investment, in short, has become an end in itself rather than an underwriting buffer. Insurers believe they are responding to competition when, in reality, they are responding to a primordial, subliminal impulse to bring in cash at any price.

Richard E. Stewart, senior vice president and chief financial officer of Chubb Corp., the $2.5 billion (assets) insurer, puts it this way: "We accept, almost cherish, horror stories about the [rate-cutting] market antics of competitors but refuse to acknowledge that our own companies are doing the same thing. Every company growing rapidly in these price-competitive markets is probably cutting prices, broadening coverage, loosening underwriting standards or otherwise leaving money on the table."

What's really happened, says Stewart, is that insurance companies have entered "the risk money game" wholeheartedly. "The investment income game is not new, but never before has it been played so boldly by so many with such evident assumptions of perpetuity," he says. "The rationalization is that maybe it's worth paying a little for the investable funds; after all, banks do." Warns Stewart: "On paper, it's easy to calculate how much underwriting loss can be justified by investment and reinsurance arrangements. However, the real game is not played with such perfect knowledge and composure. A lot can happen in three years. A loss reserve is *not* an asset. It is a hostage to fortune."

Not so long ago, Stewart says, every dollar of premium would incur, say, 30 cents of overhead and 65 cents of claim and leave a 5-cent profit. Today more and more managements have decided that the profit from investing will bring a big return that is far more rewarding than underwriting. The premium is merely the vehicle used to raise cash. Playing the market becomes more important than doing a good job in the insurance business. Because they cannot resist those 15%-and-up yields, many insurance people are taking big chances to get hold of investable cash.

But just as there was risk in investing heavily in stocks a decade ago, so there is risk today in investing cheap premium dollars in high-yielding fixed-income securities. Partly there is a market risk. With many high-grade bonds now selling at 70 cents or even 60 cents on the dollar, some of the insurance companies are sitting with paper losses, which, if realized, would wipe out their surpluses. For those who avoided *market* risk by concentrating in short-term and money market securities, there is the risk of declining interest rates. An insurance company could find itself in the red if premiums were written in the expectation of 15% portfolio returns and returns subsequently dropped to, say, 10%.

Stewart's own company, Chubb, is better managed than most, but even *its* balance sheet shows how vulnerable the entire industry is to outside market forces. As of last Dec. 31, Chubb's P&C companies had a paper loss of $140 million on their $1.2 billion fixed-income portfolio. Since then, thanks to the bond market's collapse, it has lost at least another $100 million on paper. If all these losses had to be realized, little would be left of Chubb's $306 million statutory surplus. An industry with this magnitude of potential losses can scarcely afford big underwriting losses—yet that is precisely what it is risking.

What helps Chubb and the others is that standard accounting procedure, although it calls for annual revaluation of common stocks to market values, doesn't require it for fixed-income issues. But what happens if an extraordinary underwriting crunch forces due bonds to be sold? In times like this, one would think the industry would tighten up on underwriting risks. Instead it seems to be incurring unnecessary ones.

Perhaps the insurance industry can't do much about inflation and high interest rates and sometimes stingy rate-setting authorities, but its members have no one to blame but themselves when they overreach for cash to play the bond and stock markets. ■

Costly price-cutting

For property and casualty insurers, investment income has become an end in itself rather than a cushion against underwriting losses. Eager for premium dollars to invest, some P&Cs are waging price wars. Below, the recent record for ten big P&Cs. In some cases nothing—or even less than nothing—is left of premium income after expenses and claims are subtracted.

	Underwriting ratios*							
	Overhead		Claims		Combined		Pretax property-casualty policy profit 1979 (thousands)	Pretax net investment income 1979 (thousands)
Company	1979	1978	1979	1978	1979	1978		
Aetna Life & Casualty†	27.0%	26.7%	72.5%	65.7%	99.5%	94.4%	$ 50,871	$266,917
Aetna Insurance‡	32.7	31.8	77.8	66.6	110.5	98.4	–85,717	91,450
American Int'l Group	23.4	23.4	70.9	70.0	94.3	93.4	87,271	161,342
Chubb	34.0	32.6	63.9	62.6	97.9	95.2	18,800	84,200
Continental	31.3	30.2	70.1	65.0	101.4	95.2	–35,601	236,726
Crum & Forster	31.1	30.7	69.4	66.9	100.5	97.6	1,929	160,629
INA	30.4	29.2	72.4	71.2	102.8	100.4	–84,039	297,441
Safeco	35.3	34.9	55.4	55.1	90.7	90.0	69,637	71,737
St Paul	30.1	29.8	69.9	64.1	100.0	93.9	–1,460	146,190
Travelers**	28.7	27.9	73.7	72.4	102.4	100.3	–102,300	335,600

*As % of net premiums written. †Property-casualty subsidiaries only. ‡Subsidiary of Connecticut General. **Policyholder dividends deducted from premiums.
Source: Oppenheimer & Co.

Statistical Spotlight

Many U.S. banks have done a good job running their own type of mutual funds.

Bank common stock funds

At last count U.S. banks managed over $500 billion in their investment accounts, but only a very small percentage—over $21 billion, or about 4%—was in investment vehicles generally used for trust funds and employee benefit plans. These vehicles are the so-called commingled funds that many banks offer, quite similar in nature to ordinary mutual funds. Also like mutual funds, the bank funds may have differing investment objectives that affect their performance.

The table at right is limited to bank common stock funds, which together contain about $10 billion in assets. The funds listed are ranked by their performance in 1979, with further columns showing their performance over two longer time spans. The first ten listed are the top performers, the next ten the runners-up, among the larger funds (assets over $10 million). The third table is made up of the best performers among the under-$10 million funds.

Interestingly, even the larger funds sponsored by major banks tend to be small. Only 7 of the top 20 had assets exceeding $100 million, and only 1 (sponsored by Morgan Guaranty) had broken the $1 billion barrier.

Ten best-performing common stock funds with assets of $10 million and over

Bank (objective)	Location	Performance*			Total assets (mil)
		1979	1976-1979	1974-1979	
Manufacturers Hanover Trust (Long-term capital growth)	New York, NY	50.6%	69.2%	NA	$160
Chemical Bank (Maximum capital gains)	New York, NY	38.7	NA	NA	48
US National Bank (Maximum capital gains)	Portland, Ore	36.2	51.0	142.7%	14
Chase Manhattan (Maximum capital gains)	New York, NY	35.9	45.7	NA	190
Citibank (LT capital growth income)	New York, NY	34.5	50.9	136.4	318
First Union Natl Bank (Growth and current income)	Charlotte, NC	32.5	NA	NA	14
Natl Bank of Commerce Trust (Long-term capital growth)	Lincoln, Neb	31.4	58.7	108.0	17
Seattle First National (Long-term capital growth)	Seattle, Wash	30.7	34.5	107.7	23
Ft Worth National Bank (Long-term capital growth)	Ft Worth, Tex	30.6	45.5	163.1	11
Rainier National Bank (Growth and current income)	Seattle, Wash	28.7	26.7	95.6	33
Ten runners-up					
Mercantile National Bank (Growth and current income)	Dallas, Tex	28.2%	32.0%	120.2%	$87
Rainier National Bank (LT capital growth & income)	Seattle, Wash	27.7	28.8	90.7	14
First National Bank (Long-term capital growth)	Minneapolis, Minn	26.7	25.4	93.2	68
Equitable Trust (LT capital growth & income)	Baltimore, Md	25.5	29.6	107.9	10
Connecticut Bank & Trust (Long-term capital growth)	Hartford, Conn	25.4	25.5	NA	14
Manufacturers Hanover Trust (Long-term capital growth)	New York, NY	25.3	27.3	78.0	108
Citibank (LT capital growth & income)	New York, NY	25.2	22.6	72.7	189
Northwestern National (Growth and current income)	Minneapolis, Minn	25.1	21.0	85.1	89
National City Bank (LT capital growth & income)	Cleveland, Ohio	25.0	32.6	105.3	115
Morgan Guaranty (Specialized)	New York, NY	24.9	38.5	156.9	1,341
Ten best-performing common stock funds with assets under $10 million					
First National Bank (Maximum capital gains)	Little Rock, Ark	39.5%	77.4%	173.9%	$3
First Trust Corp (Growth and current income)	Denver, Colo	35.0	47.4	180.1	8
Peoples National Bank (LT capital growth & income)	Seattle, Wash	33.3	23.0	62.5	3
First Union National Bank (Long-term capital growth)	Charlotte, NC	29.4	21.7	70.2	8
Worthen Bank & Trust (LT capital growth & income)	Little Rock, Ark	29.0	27.4	91.2	1
US National Bank (Growth and current income)	Galveston, Tex	28.1	54.3	181.2	7
State National Bank (LT capital growth & income)	Bridgeport, Conn	27.8	23.1	69.8	†
Colonial American Natl Bank (Long-term capital growth)	Roanoke, Va	27.1	20.0	42.8	2
Rainier National Bank (LT capital growth & income)	Seattle, Wash	26.6	26.4	78.2	9
Colonial American Natl Bank (Long-term capital growth)	Roanoke, Va	26.6	20.3	75.5	5

*Total Return: Increase in stock prices over the period plus reinvestment of income. †Less than $1 million. NA: Not available.

Source: Computer Directions Advisors

Statistical Spotlight

For two years FORBES ran a list of 100 companies that analysts estimated would have the best earnings gains. The gains came and the stocks shot up. So here's . . .

Act III

RANDOM WALKERS CLAIM security analysts' estimates of annual earnings are worthless. Are the iconoclasts correct? It depends on how precise you expect them to be. A year ago FORBES ran consensus estimates of corporate earnings prepared by Lynch, Jones & Ryan's Institutional Brokers Estimate System. We listed 100 stocks where analysts expected major earnings gains. When the actual earnings were reported recently, slightly more than half came within 20% of the year-ago predictions; about one in six was off by 50% or more. What does this prove? That as a rough guide the predictions are useful even though they are hardly of bull's-eye accuracy. The usefulness resides chiefly in this: As a group, these 100 stocks outperformed the market. The 100 chosen stocks rose 12% in a market that was down by 10%. A year earlier FORBES ran a similar list with similar results.

So, here we go again. The 100 stocks below are predicted by Lynch, Jones consensus figures to show earnings gains of 33% or more for 1980 over 1979. A word about the estimates: Based on a consensus of analysts' predictions, they naturally vary widely in the range of opinions on any one stock, as seen in the final column below. The smaller the percentage, the greater the unanimity. ■

The golden ones III

One hundred companies for which institutional analysts predict a minimum gain of 33% in earnings per share.

Company	Fiscal year ended	Recent price	1979 earnings per share*	Average of analysts' estimates of fiscal 1980 EPS*	Increase of 1980 over 1979	P/E based on 1980 earnings estimates	Number of estimates	Variation in earnings estimates†
Fleetwood Enterprises	Apr	5⅝	$0.10E	$0.77	670%	7	5	62%
Caesars World	July	12¼	0.35	1.90	443	6	5	16
Royster	June	12⅝	0.40	1.94	385	7	4	39
Metpath	Sept	24⅜	0.44	2.01	357	12	8	15
First Mississippi	June	25	0.55	2.49	353	10	6	30
Santa Fe International	Dec	34	0.78	3.08	295	11	17	26
Westmoreland Coal	Dec	20	0.26	0.98	277	20	9	35
Saga	June	7⅝	0.44	1.50	241	5	4	10
SEDCO	June	61¾	1.15	3.55	209	17	16	27
Fotomat	Jan	5⅛	0.27E	0.73	170	7	7	32
RG Barry	Dec	6⅛	0.55	1.32	140	5	3	16
Manhattan Industries	Jan	6½	0.92E	2.14	133	3	3	15
Gulf Resources & Chemical	Dec	21½	1.58	3.68	133	6	3	53
Sony	Oct	7	0.34	0.72	112	10	6	17
Copeland	Sept	18¾	1.45	3.06	111	6	6	5
General Automation (Calif)	July	10⅞	0.45	0.95	111	11	4	55
Dataproducts‡	Mar	13⅞	0.95E	1.99	109	7	7	7
Polaroid	Dec	19¾	1.10	2.23	103	9	19	25
Inco Ltd	Dec	23⅝	1.58	3.18	101	7	13	28
International Tel & Tel	Dec	23⅞	2.65	5.30	100	5	7	7
Transcon Lines	Dec	5⅝	0.58	1.16	100	5	6	19
Offshore Logistics	June	17	1.02	2.03	99	8	4	26
Limited Stores	July	5⅞	0.34	0.67	97	9	4	25
AE Staley Mfg	Sept	38¼	1.86	3.67	97	10	9	12
Forest Oil	Dec	25¼	0.79	1.55	96	16	4	19
Archer-Daniels-Midland	June	27⅜	1.63	3.12	91	9	13	7
Lockheed‡	Dec	26	2.01	3.71	85	7	12	14
Research-Cottrell	Oct	13⅞	1.13	2.09	85	7	9	10
Savannah Electric & Power	Dec	9⅛	1.24	2.28	84	4	3	15
Envirotech	Mar	8	0.75E	1.37	83	6	7	21
Kennecott Copper	Dec	29	3.93	7.13	81	4	15	30
Tom Brown	Mar	39½	0.49E	0.87	78	5	4	35
Bally Mfg	Dec	21	1.73	3.07	77	7	7	9
GCA Corp	Dec	36	1.88	3.24	72	11	5	2
Amdahl	Dec	18⅜	1.02	1.74	71	11	14	21

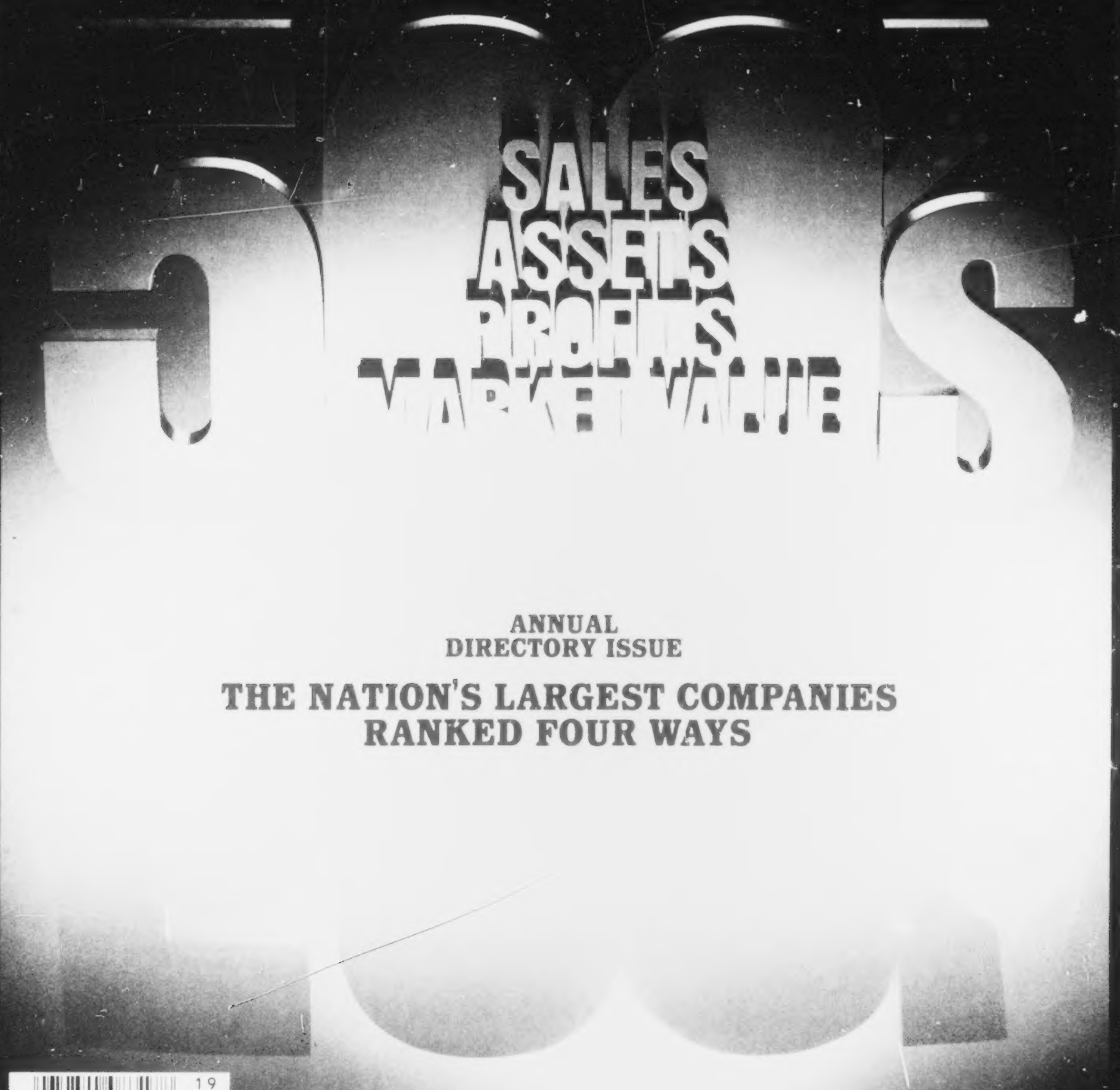
Company	Fiscal year ended	Recent price	1979 earnings per share*	Average of analysts' estimates of fiscal 1980 EPS*	Increase of 1980 over 1979	P/E based on 1980 earnings estimates	Number of estimates	Variation in earnings estimates†
Coca-Cola Bottling Co NY	Dec	4½	$0.44	$0.74	69%	6	6	18%
Grumman‡	Dec	20¼	1.89	3.15	67	6	6	19
Crutcher Resources	Oct	16⅞	0.81E	1.34	65	13	4	16
Wang Labs	June	30	1.17	1.91	63	16	14	5
Berkey Photo	Dec	3¼	0.63	1.03	63	3	3	16
Cray Research	Dec	41¼	1.89	3.05	61	14	4	18
Castle & Cooke‡	Dec	11	1.14	1.81	59	6	8	20
Portland General Electric	Dec	11⅜	1.06	1.67	58	7	5	24
ASARCO	Dec	30⅜	8.56	13.36	56	2	10	25
Freeport Minerals	Dec	39	3.06	4.77	56	8	8	19
Ocean Drilling & Exploration	Dec	81⅜	4.20	6.55	56	12	13	24
Colgate-Palmolive	Dec	11¾	1.39	2.16	55	5	11	7
Adobe Oil & Gas	Dec	42½	1.60	2.47	54	17	3	20
Marathon Oil	Dec	52⅞	4.88	7.52	54	7	22	9
Homestake Mining	Dec	41½	5.41	8.33	54	5	3	51
Texasgulf	Dec	34½	4.05	6.22	54	6	6	11
Phelps Dodge	Dec	28¾	5.06	7.70	52	4	15	29
Tandem Computers	Sept	42	1.18	1.79	52	23	7	17
Western Co of North America	Dec	38⅞	2.40	3.62	51	11	14	8
Rockcor	Oct	7⅝	0.40	0.60	50	13	3	8
Service Merchandise	Dec	8⅞	1.54	2.30	49	4	10	12
Gearhart-Owen Industries	Jan	45½	2.23E	3.32	49	14	9	6
Prime Computer	Dec	24⅛	1.34	1.98	48	13	13	7
UNC Resources‡	Mar	12⅝	1.55E	2.26	46	6	3	30
Portec‡	Dec	13⅛	1.75	2.55	46	5	4	17
Earth Resources	Aug	24	3.05	4.44	46	6	4	22
Humana	Aug	37¼	1.98	2.87	45	13	12	5
CPT Corp	June	18½	0.90	1.30	44	14	3	7
Reading & Bates‡	Dec	34	2.89	4.14	43	8	11	14
Zapata	Sept	26⅝	2.36	3.38	43	8	7	15
Wyman-Gordon	Dec	28	2.28	3.26	43	9	7	9
Rolm	June	37⅜	1.50	2.14	43	17	13	6
Monogram Industries (Del)	June	36	5.78	8.23	42	4	5	2
Aydin‡	Dec	21⅝	1.78	2.53	42	9	3	2
Standard Oil of Ohio	Dec	84⅞	9.83	13.94	42	6	22	8
Anixter Brothers‡	July	25½	2.50	3.54	42	7	6	12
Yellow Freight Systems	Dec	13¾	1.45	2.05	41	7	11	11
Jerrico	June	17	2.10	2.97	41	6	6	4
American Microsystems	Dec	14⅝	1.07	1.50	40	10	4	7
Dorchester Gas	Aug	24⅛	2.84	3.98	40	6	5	8
Southern Indiana G&E	Dec	14⅞	2.29	3.20	40	5	7	5
Beverly Enterprises	Dec	8¾	0.88	1.22	39	7	4	7
Franklin Electric	Dec	13	1.25	1.74	39	7	4	6
Subaru of America	Oct	10½	1.74	2.42	39	4	3	7
Teleprompter	Dec	17⅝	1.14	1.58	39	11	5	5
House of Fabrics	Jan	3⅞	0.58E	0.80	38	5	3	6
Lear Petroleum	Sept	16½	0.89	1.22	37	14	3	23
Huffy	June	15⅞	1.90	2.60	37	6	4	13
Puritan-Bennett	Dec	15¼	1.62	2.22	37	7	3	1
Mitchell Energy & Development	Jan	38¾	2.67E	3.66	37	11	9	21
Teradyne	Dec	37⅜	2.36	3.23	37	12	13	12
Pennzoil‡	Dec	36½	4.56	6.21	36	6	8	17
Seagram	July	38	2.64	3.59	36	11	7	3
Color Tile	June	17¼	1.12	1.52	36	11	11	6
Lomas & Nettleton Financial‡	June	10⅞	1.41	1.92	36	6	6	14
General American Oil (Tex)	June	47⅝	2.25	3.03	35	16	3	17
West Point-Pepperell‡	Aug	29⅞	5.13	6.91	35	4	6	14
Leggett & Platt	Dec	10⅞	1.70	2.29	35	5	4	4
Woods Petroleum	Dec	17⅛	1.05	1.42	35	12	4	9
Standard Motor Products	Dec	7⅛	1.80	2.42	34	3	5	12
US Surgical	Dec	24	1.36	1.82	34	13	4	5
Gelco‡	July	23⅛	3.39	4.55	34	5	6	15
Richardson-Merrell	June	19¾	2.66	3.57	34	6	15	3
Computervision	Dec	44¼	2.09	2.80	34	16	5	8
Republic Airlines	Dec	6	0.70	0.93	33	6	3	30

*For fiscal years ending June through May of the following year. †Percentage range around the average in which about two-thirds of analysts' estimates fall. The lower the percentage, the greater the agreement among the analysts. ‡Fully diluted earnings per share. E: Estimate.
Source: Institutional Brokers Estimate System; Lynch, Jones & Ryan.

MAY 12, 1980

THREE DOLLARS

Forbes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THE NATION'S LARGEST COMPANIES RANKED FOUR WAYS

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Forbes

May 12, 1980
Volume 125, Number 10

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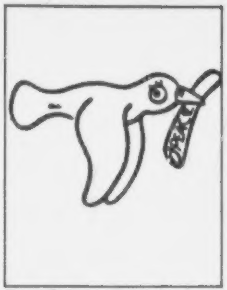

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Wouldn't it be nice if stocks were like mutual funds—where investors could insist that management redeem their shares on demand at net asset value? They can't, but sometimes takeovers have the same effect.

Appraised value: the stuff of dreams

Statistical Spotlight

THERE ARE THOSE WHO THINK the asset-play game is over, that the stock market must find new leadership. But contradictory opinions make the stock market what it is, and there are still plenty of analysts who think the asset-play game is far from over.

The asset play, essentially, is an inflation hedge; it takes center stage when investors are scared about rising prices. To protect their purchasing power, investors look for companies that possess large natural resources. In more confident times, investors care more about earnings; in inflationary times they think in terms of assets. The flaw in the asset play is that it assumes liquidating. What does it avail a company to own valuable forestlands if it turns the trees into cardboard boxes on which it can't make much money? Nevertheless, whenever inflation revs up, investors seek refuge in assets.

Sometimes this faith in assets is justified, especially in takeovers or buyouts. Seagram Co., whose stock has been selling in the high 30s, jumped nearly 25 points earlier last month when Sun Co. made a $2.3 billion offer for Seagram's big oil and gas holdings. That offer was worth $66 per share pretax—far more than Seagram had been selling for. Announcement of the offer caused a rally in oil and gas asset-play stocks, which had been sagging badly on profit-taking.

All this results in an interesting paradox: Small oil and gas companies, because they are buyable, sell closer to asset value than giant ones that are too big to take over. Texaco, for example, sells at a dirt-cheap 28% of its asset value while little Crystal Oil sells at more than 150% of its appraised value.

In this sense, the asset-play game is a variation of the takeover-prospect game. That's why, although the takeover game has faded for most assets, a victim of tight and expensive money, it still flourishes in oil and gas because the companies doing the buying—the big oil companies—still have plenty of cash.

There are many ways to measure a stock's value: You want to know what the ratio is between its price and its earnings—the price/earnings ratio. You want to know what is the rate of growth of its profits. You want to know what kind of return it gets on its assets. You want to know what kind of management it has—good, bad or indifferent. Appraised value is one more yardstick, always useful but never so in isolation from the other factors. In this spirit, FORBES has painstakingly prepared the following listings of 186 corporations with estimated values of underlying assets—or in the case of gold, estimated future discounted earnings—for each. The estimates come from various reliable sources, listed below the tables. Point to remember: Appraised value is not the same as book value. The latter is simply original cost less depreciation. Appraised value is often many times higher than book value. Why? Because timber acquired 50 years ago is clearly worth far more than it cost; oil and gas in the ground may be worth many times the investment required to find it and develop it.

There's something missing from the tables: companies with substantial land holdings. We tried. We really did. In the end we had to give up because there were so many different companies owning so many different kinds of land that appraisals would have been meaningless. Anyhow, no two pieces of land are alike. It's different with other resources: Coal, oil, gold, silver and timber are far more fungible than land.

Read on. You may be surprised to learn how rich in assets some companies are. But remember: These figures are only one dimension of corporate value, albeit a significant one.—*Alyssa A. Lappen*

Oil and gas companies

Total revenues (mil)	Reserves			Oil and gas companies	Market price as % of appraised net worth	Appraised net worth per share*	Recent market price	52-week price range	Price/earnings ratio	Average growth in cash earnings (7-yr average)‡	Current yield
	oil*† (mil bbls)	gas*† (bil cu ft)	coal* (mil tons)								
				International							
$41,229	5,283	7,384	613	British Petroleum	49%	$ 65.85	32	38½–21⅞	7	56%	5.2%
84,350	6,260	22,100	9,500	Exxon	40	140.30	55½	67¾–49⅛	6	12	8.6
26,137	1,943[a]	6,893[a]	370[a]	Gulf Oil	59	61.35**	36⅛	54½–25⅛	5	12	6.2
48,241	2,115[a]	8,502[a]	3,700[a]	Mobil	79	78.60**	62	89½–35⅝	7	16	4.8

*Figures supplied by *Oil Industry Comparative Appraisals*, John S. Herold, Inc., except where otherwise indicated.
†Oil: total oil, condensate and gas liquids reserves. Gas: North American reserves only.
‡Cash earnings: net income, depreciation and deferred taxes.
**Appraisals calculated in or before July 1979.
[a] Company figures, 1979.

Oil and gas companies

Total revenues (mil)	Reserves oil*† (mil bbls)	Reserves gas*† (bil cu ft)	Reserves coal* (mil tons)	Oil and gas companies	Market price as % of appraised net worth	Appraised net worth per share*	Recent market price	52-week price range	Price/earnings ratio	Average growth in cash earnings (7-yr average)‡	Current yield
$66,111[b]	860	5,125	—	Royal Dutch Petroleum	41%	$173.55**	70½	92 –65⅛	2	18%	7.8%
66,111[b]	570	3,400	—	Shell Transport & Trading	53	56.15**	29½	37¼–27	3	16	
31,800	1,901	6,348[a]	—	Standard Oil (Calif)	44	140.50	62⅜	85 –44¾	6	11	5.1
39,096	3,480	13,975	2,000	Texaco	28	112.70	31⅝	41⅝–24¾	5	8	7.6
				Refining and producing							
6,813	816	1,938	—	Amerada Hess	32	130.45	42	61½–30¼	3	16	3.8
1,622	31[a]	157[a]	—	American Petrofina	59	52.15**	31	48¼–28¾	4	13	8.1
16,676	2,640[a]	13,400[a]	1,175[a]	Atlantic Richfield	70	120.40**	83¾	106 –60⅞	9	26	4.1
6,276	336[a]	3,197[a]	—	Cities Service	61	141.80**	86¼	112½–58⅝	7	18	4.6
13,100	1,793[a]	4,466[a]	15,020[a]	Conoco	49	88.40	43⅛	58⅝–31	6	17	4.4
1,059	11[a]	89[a]	—	Crown Central Petroleum	61	39.55**	24	55⅛–17⅝	2	33	3.3
165	13[a]	42[a]	—	Crystal Oil	158	17.10	27	34¾– 9⅛	23	25	1.9
5,120	1,590	2,600	126	Getty Oil	59	120.00	71	97¾–42½	10	20	2.1
2,683	103	956	971	Kerr-McGee	53	109.10	58¼	78⅝–43½	9	22	3.1
7,200	1,226[a]	2,301[a]	140	Marathon Oil	41	128.90	53⅜	73¼–34⅜	11	19	3.4
181.8	7[a]	49[a]	—	Marion Corp	91	15.85	14⅜	24 – 7	5	75	1.3
1,590	218[a]	614[a]	—	Murphy Oil Corp	163	52.00**	84½	123 –46½	10	21	1.8
9,554	875	305	3,400	Occidental Petroleum	71	31.35	22⅜	31⅞–18	3	24	6.7
113	14[a]	10[a]	—	Pauley Petroleum	57	28.35	16¼	28¼– 7	8	28	none
2,051	99[a]	1,158[a]	—	Pennzoil	131	26.25**	36¼	54¾–23⅛	8	22	5.5
9,744	1,127	4,333	8,000[a]	Phillips Petroleum	67	57.75**	38½	61⅛–34	7	22	4.7
692	26[a]	70[a]	405	Quaker State Oil	61	18.70**	11⅜	19⅝–10¾	7	8	4.0
14,546	2,317[a]	6,703[a]	2,216[a]	Shell Oil	68	83.80**	56⅝	76 –37¼	8	12	4.2
20,200	2,627[a]	10,750[a]	—	Standard Oil (Ind)	77	121.05**	92⅞	121¼–60	9	16	3.9
7,916	3,888[a]	6,672[a]	1,112[a]	Standard Oil (Ohio)	40	214.30	85½	110½–47⅝	9	38	2.3
10,800	815	3,900	2,500	Sun Company	39	174.65	68⅝	88⅜–49⅜	6	14	5.2
2,370	85[a]	17[a]	41[a]	Tesoro Petroleum	92	18.50	17	27⅞–10	3	13	0.4
7,700	863	6,354	—	Union Oil California	40	119.30	47¼	62½–32⅜	8	14	2.8
				US producing							
92	13[a]	155[a]	20[a]	Adobe Oil & Gas	60	75.00[d]	44⅝	56 –22⅜	28	17	0.4
15.5	3	76	—	Amarex	98	18.60	18¼	31 – 9⅜	18	30	none
109	1[a]	79[a]	—	Apache Corp	62	40.00[j]	24¾	44 –18¼	15	32	1.6
9	13[a]	24[a]	—	Argo Petroleum	109	13.30	14½	24¾– 8⅝	—	0	none
6	1	83	6	Barnwell Industries	55	19.85	11	24⅝– 8⅞	—	18	1.8
644	138[a]	712[a]	140[a]	Belco Petroleum	60	54.50**	32¾	50 –26⅜	5	26	3.1
158	17	197	—	Buttes Gas & Oil	39	32.05	12⅜	18¼– 9½	13	0	none
1,122	8	478	—	Cabot Corp	61	91.00	55⅝	68⅝–34⅝	7	21	3.6
7	4[a]	16[a]	—	Callon Petroleum	91	8.80	8	14¼– 4¾	15	47	none
39	6[a]	167[a]	—	Consolidated Oil & Gas	107	8.37**	9	14½– 4⅞	42	9	none
13	3	69	—	Damson Oil	143	9.00	12⅞	25½– 8⅝	—	15	none
368	30	278	—	Dorchester Gas	60	39.75	24	38½–13¼	7	33	0.8
10	8[a]	68[a]	—	Equity Oil	79	46.70	37	65 –19¼	25	31	1.9
40	5	102	—	Felmont Oil	76	60.60	45⅞	76¾–28	17	17	0.7
71	4[a]	376[a]	—	Forest Oil	82	29.70**	24⅜	38½–16½	23	16	3.3
155	85	667	—	General American Oil of Tex	70	68.30	48	70½–39⅜	16	17	1.3
26	2	344	17	Great Basins Petroleum	110	13.15	14½	24¼– 6⅛	—	29	none
49	22[a]	90[a]	78[a]	Hamilton Brothers	178	14.35**	25½	34¼–14½	14	22	none
146	11	245	—	Helmerich & Payne	86	54.60	46¾	57 –24¼	17	24	0.8
352	24[a][e]	698[a]	—	Houston Oil & Minerals	105	18.20**	19⅛	31⅞–16¼	10	74	4.2
103	10	215	—	Inexco Oil	141	19.90	28	39⅜–16⅜	20	27	0.7
78	1[a]	48[a]	—	Lear Petroleum	111	14.95	16⅝	29 –11¼	16	49	0.7
817	121	714	—	Louisiana Land & Expl	72	46.85	33⅞	57⅞–27¼	8	23	5.3
17	2[a]	33[a]	—	Maynard Oil Company	177	7.05	12½	20⅜– 5⅞	34	35	none
269	20	438	—	Mesa Petroleum	116	19.80	23	35⅜–17⅜	3	23	none
—[f]	9	832	—	Mesa Royalty Trust	118	28.05	33	42⅜–27¼	—[f]	—[f]	none
76	12	52	—	McCulloch Oil	71	13.10	9¼	15¾– 5¾	3	110[c][g]	none
9	6[a]	6[a]	—	McFarland Energy	78	12.20	9½	17¼– 5	—	22	none
458	20	445	—	Mitchell Energy & Dev	117	36.05**	21⅛	25½– 8	12	45	0.5
7	1	42	—	NFC	76	19.95	15¼	19 –12⅞	14	16	1.3

*Figures supplied by *Oil Industry Comparative Appraisals*, John S. Herold, Inc., except where otherwise indicated. †Oil: total oil, condensate and gas liquids reserves. Gas: North American reserves only. ‡Cash earnings; net income, depreciation and deferred taxes. **Appraisals calculated in or before July 1979. [a]Company figures, 1979. [b]Revenues of Royal Dutch Shell Group. [c]Not calculated on a per-share basis. [d]Company figures, oil and gas reserves only. [e]Excluding foreign reserves. [f]This trust was split off from Mesa Petroleum in November 1979. [g]Less than seven years' data. [h]Estimates by David Snow, A.G. Becker, excluding frontier resources. [i]1980 range only. [j]Canadian dollars except where otherwise noted. [k]U.S. dollars. [l]E.F. Hutton.

Oil and gas companies

	Reserves										
Total revenues (mil)	oil*† (mil bbls)	gas*† (bil cu ft)	coal* (mil tons)	Oil and gas companies	Market price as % of appraised net worth	Appraised net worth per share*	Recent market price	52-week price range	Price/ earnings ratio	Average growth in cash earnings (7-yr average)‡	Current yield
$1,010	54[a]	126[a]	—	Natomas	67%	$ 48.44[d]	32¾	46¼–20¼	6	21%	4.0%
214	23	179	—	Noble Affiliates	164	19.10**	31¼	41¼–16⅜	20	29	0.5
37	10[a]	69[a]	14[a]	Patrick Petroleum	64	20.95	13⅜	25½–10	—	23	none
55	17[a]	121[a]	—	Petro-Lewis Corp	124	12.80	15⅞	25¼– 8⅞	10	32	14.0
30	3	163	—	Phoenix Resources	84	28.85	24¼	29⅞–18½	20	27[cg]	none
159	20	338	—	Pogo Producing	88	19.85**	17⅜	27 –13⅜	10	54	2.5
4	1	19	—	Premier Resources	86	4.35	3¾	6¼– 2½	31	11	none
260	10	37	29	Reading & Bates	104	31.55	32¾	43⅜–13⅜	11	16	2.4
84	20[a]	219[a]	50	Sabine Corp	89	57.45	51⅜	71½–29½	24	21	1.1
256	127[a]	1,284[a]	—	Southland Royalty	77	66.15	51	76 –30	22	39	1.6
1,085	157	2,000	—	Superior Oil	106	128.15**	135¾	177 –73	14	24	0.5
51	7	447	—	Supron Energy	87	47.10	40¾	54¼–21¼	25	40	0.6
114	6[a]	38[a]	—	Texas American Oil	133	6.40**	8½	13⅜– 5⅞	15	33	0.6
84	8	82	—	Texas International	88	19.40	17	24⅛–10¾	—	–1	none
899	54	1,011	—	Texas Oil & Gas	98	36.50	35⅞	46⅝–18	14	38	0.9
58	5	14	75	Tipperary Corp	104	15.83	16½	23¼– 8¾	21	32	none
14	5	12	17	Triton Oil & Gas	68	23.15	15¾	24⅝– 5⅜	—	1	none
26	2	47	—	Universal Resources	66	29.80	19¾	27½–13⅝	13	36	1.6
25	2	260	—	Wainoco Oil	98	22.30	21¾	37⅞– 9	34	38	0.6
40	9	92	—	Wiser Oil	78	127.60	99	132 –51	12	17	3.6
43	4	117	—	Woods Petroleum	109	15.45	16⅞	23¾–13⅛	16	26	none
34	4[a]	52[a]	—	Worldwide Energy	109	12.25	13⅜	24 – 6⅝	28	39	none
				Gas transmission							
4,290	19[a]	1,283[a]	165[a]	Coastal Corp	41	40.25**	16⅜	37⅜–14¾	3	19	2.4
2,238	56	463	1,588	ENSERCH Corp	64	41.95	26¾	34⅜–19⅝	9	10	5.8
1,798	5[a]	422[a]	218[a]	Houston Natural Gas	90	40.25	36¼	49½–26¼	8	25	3.6
335	21	619	—	Mountain Fuel Supply	81	37.05	30	39½–24½	9	7	7.9
732	5	179	—	Pioneer Corp	123	30.85	38	49⅛–16½	11	27	3.7
1,492	7	101	—	Southern Natural Resources	120	39.05	47	61⅞–34⅛	9	12	3.2
11,200	261[a]	3,335[a]	—	Tenneco Inc	72	45.55**	33	45½–30¼	6	12	7.3
1,528	19[a]	401[a]	—	Transco Cos	94	40.60**	38⅜	55½–23	13	14	3.8
				Foreign[j]							
244	126	722	68	Aquitaine Canada	60	77.00[h]	45⅞	68⅜–28⅜	30	17	1.0
171	29	1	—	Asamera Oil	86	22.85	19⅞	32⅝–15⅞	15	24	2.0
276	47	630	32	Bow Valley Industries	74	57.65	42⅜	66 –25¼	35	39	0.2
63	80	1,063	75	BP Canada	107	39.30**	42⅛	57 –22⅛[l]	14	11	2.4
12	11	873	—	Canadian Homestead Oil	80	24.65	19⅝	35⅛–13⅛	43	23	none
126	5	314	—	Canadian Occidental Pete	81	15.15	12¼	17⅛– 8⅜	16	20	2.3
46	—	262	—	Chieftain Development	48	52.00[h]	24⅞	46 –18⅜	46	36	none
945	128	1,962	—	Dome Petroleum	123	49.00[h]	60⅛	86¾–31	15	46	none
3,057	576	2,700	—	Gulf Canada	101	128.00[h]	129¼	198⅞–46⅛	21	17	1.2
483	313	3,400	—	Hudson's Bay Oil & Gas	52	214.10	111¼	157⅞–57⅝	16	23	2.1
1,053	126	345	—	Husky Oil	87	91.45	79¾	108 –52½	9	18	1.3
6,623	1,286	5,554	580	Imperial Oil	58	68.00[h]	39¼	59⅝–27¼	11	12	3.6
887	129[a]	1,145[a]	—	Norcen Energy Resources	67	47.43**	31¾	40 –19½	10	19	3.1
16	1	663	—	North Canadian Oils	37	40.60	15	29¼–11¼	12	13	none
20	12	146	—	Numac Oil & Gas	58	52.00[h]	30	54¼–25⅜	33	27	0.7
136	8	1,035	—	Ocelot Industries	77	34.20	26½	39 –23⅝	7	46[g]	none
424	145[a]	3,174[a]	1,854[a]	PanCanadian Petroleum	120	58.70**	70½	80 –46⅝	11	30	4.3
764	121	739	—	Petrofina Canada	43	108.80	46⅝	59½–45 [i]	8	19	3.4
44	22	152	180	Scurry-Rainbow Oil	117	67.80	79⅝	110⅜–30⅝	16	27	none
3,483	340	5,600	2,000	Shell Canada	101	32.35**	32¾	41¾–18¼	11	18	2.4
142	10[a]	81[a]	60	Teck Corp	179	9.65**	17¼	26 – 5⅞	6	64	none
2,685	540	1,933	—	Texaco Canada	69	112.35	77	96 –56⅝	8	11	2.6
911[k]	33	265	—	Total Petroleum (NA)	44	57.00[h]	25¼	37⅝–19⅛	12	23	1.3
103	100[a]	621[a]	—	Union Oil Canada	57	64.35	36⅞	53¼–32¼[i]	28	8	1.1
9	4[a]	59[a]	—	United Canso Oil & Gas	70	23.15**	16¼	27⅝– 9⅝[l]	—	6	none
32	8[a]	345[a]	—	West Coast Petroleum	51	45.00**	23	36⅝–15⅞	17	20	none

*Figures supplied by *Oil Industry Comparative Appraisals,* John S. Herold, Inc., except where otherwise indicated. †Oil: total oil, condensate and gas liquids reserves. Gas: North American reserves only. ‡Cash earnings; net income, depreciation and deferred taxes. **Appraisals calculated in or before July 1979. [a]Company figures, 1979. [b]Revenues of Royal Dutch Shell Group. [c]Not calculated on a per-share basis. [d]Company figures, oil and gas reserves only. [e]Excluding foreign reserves. [f]This trust was split off from Mesa Petroleum in November 1979. [g]Less than seven years' data. [h]Estimates by David Snow, A.G. Becker, excluding frontier resources. [i]1980 range only. [j]Canadian dollars except where otherwise noted. [k]U.S. dollars. [l]E.F. Hutton.

Coal companies

Total revenues (mil)	Recoverable coal reserves (mil tons)	Coal companies	Market price as % of asset valuation per share	Asset valuation per share	Recent market price	52-week price range	Price/earnings ratio	Growth in earnings (7-year average)	Current yield
$ 860	769	Eastern Gas & Fuel Assoc	50%	$37	18⅛	26½–15¾	8	60%	5.1%
1,648	1,700	Pittston	44	48	21¼	30⅜–17⅝	15	68	5.6
385	1,248[a]	Westmoreland Coal	46	45	20¾	37½–19	NM	98	none

[a] Includes leased property. NM: Not meaningful.

Forest products companies

Total revenues (mil)	Acres*† (mil)	Timber† (mil cu ft)	Forest products companies	Market price as % of appraised net worth per share	Appraised net worth of timber per share†‡	Recent market price	52-week price range	Price/earnings ratio	Growth in earnings (7-year average)	Current yield
$2,917	2.75	2,900	Boise Cascade	54%	$ 56	30⅛	42½–27	5	15.6%	5.8%
3,250	1.5	2,900	Burlington Northern	54	104	55¾	80¾–43¾	4	28.3	3.8
3,751	3.0	3,300	Champion International	65	34	22	28¾–20¼	5	24.9	6.4
445	0.65	550	Consolidated Papers	164	31	25⅜	32⅛–25⅛	5	27.9	7.7
4,370	1.2	1,150	Continental Group	122	21	25¾	32¾–25¼	5	14.1	9.3
2,804	2.0	4,100	Crown Zellerbach	33	108	35⅞	54⅝–32¾	7	7.6	5.9
1,283	1.45	1,650	Diamond International	71	40	28½	47½–28¾	6	6.1	7.7
419	0.25	250	Federal Paper Board	161	15	24⅛	35 –20⅞	7	23.1	4.1
5,207	4.5	5,900	Georgia-Pacific	73	33	24¼	34⅞–21½	8	12.9	4.9
1,158	2.15	2,650	Great Northern Nekoosa	100	31	30⅞	40⅜–27¾	5	29.3	5.2
4,530	8.4	9,000	International Paper	32	100	32⅜	47⅝–30½	4	29.9	7.4
2,218	0.85	650	Kimberly-Clark	282	14	39½	48½–39½	6	30.3	8.1
335	0.4	1,400	Longview Fibre	26	103	27	38 –25	8	9.5	4.4
1,302	0.9	1,500	Louisiana-Pacific	43	48	20⅞	29½–18½	6	28.5	2.9
2,570	1.1	1,000	Mead	112	19	21¼	29¾–19⅝	4	25.3	8.5
148	0.09	200	Medford	43	81	35	54 –26½	8	30.0	2.9
258	0.17	1,200	Pacific Lumber	29	155	44⅞	57 –40½	11	17.7	5.3
176	0.13	400	Pope & Talbot	28	52	14½	22 –14¼	4	22.9	none
809	1.3	2,350	Potlatch	47	68	31¾	39 –30	7	14.5	4.2
2,533	3.1	3,900	St Regis	56	49	27½	34⅞–26¼	6	19.4	7.3
1,908	2.95	2,900	Scott Paper	57	28	16	22⅛–14¾	5	18.5	6.3
778	0.45	400	Southwest Forest Inds	55	23	12⅝	24 –11½	4	63.7	3.2
1,389	1.7	1,800	Union Camp	103	38	39⅜	50⅞–37¾	6	19.2	6.6
1,224	1.2	1,150	Westvaco	104	29	30⅛	38¾–26¾	6	14.3	5.0
4,423	5.9	11,500	Weyerhaeuser	36	81	29½	37⅝–26½	7	10.2	4.4
864	0.55	850	Willamette Industries	66	42	27⅝	42¼–26⅝	6	13.1	5.1

*North American timberland, in fee owned, excluding cutting rights. †Figures from William M. Wigder, limited partner, First Manhattan Co. ‡On fully diluted shares.

Gold companies—N.A.

Total revenues (mil)	Estimated mine life* (years)	North American gold companies	Annual gold output‡ (thousands of ounces)	Working cost per ounce*	Cash dividend paid*	Market price as % of sum of present value per share*	Sum of present value per share @ $500 per ounce*†	Recent market price	52-week price range	Current yield
$ 27[a]	32	Agnico-Eagle	72	$113.49	$0.15	64%	$14.56	9⅜	13¾– 5¼	1.4%
29[a]	25	Camflo	80	90.30	0.51	40	38.49	15½	25 –15¾[b]	3.2
70[a]	32	Campbell Red Lake	182	56.44	0.66	93	33.52	31¼	39⅞–17	1.6
16[a]	15	Dickenson Mines	60	194.99	0.04	26	39.97	10½	18 –10¼[b]	0.5
31[a]	8	Giant Yellowknife	95	204.75	0.51	43	32.78	14¼	21 – 8⅝	3.6

*Figures from *International Investor's Viewpoint*, Portland, Ore. †Sum of the present value is an estimate of future earnings at a discount rate of 10% per year. ‡Figures from *America's Fastest Growing Companies*, John S. Herold, Inc. [a]Canadian dollars. [b]1980 range only.

Gold companies—N.A.

Total revenues (mil)	Estimated mine life* (years)	North American gold companies	Annual gold output‡ (thousands of ounces)	Working cost per ounce*	Cash dividend paid*	Market price as % of sum of present value per share*	Sum of present value per share @ $500 per ounce*†	Recent market price	52-week price range	Current yield
$235	52	Homestake Mining	334	$250.00	$2.00	50%	$88.76	44⅝	65 –31	3.6%
9[a]	16	Northair	38	106.41	0.26	29	12.70	3⅝	5⅜– 2⅞[b]	8.3
58[a]	13	Pamour Porcupine	160	297.50	0.26	38	25.97	9⅞	14⅞– 9½[b]	4.6
25[a]	12	Sigma	70	160.60	1.11	77	55.88	42⅞	60 –43 [b]	3.7

*Figures from *International Investor's Viewpoint*, Portland, Ore. †Sum of the present value is an estimate of future earnings at a discount rate of 10% per year. ‡Figures from *America's Fastest Growing Companies*, John S. Herold, Inc. [a]Canadian dollars. [b]1980 range only.

Gold companies—South Africa

December quarter operating profit per ounce*	Estimated mine life* (years)	South African gold stock	Annual gold output‡ (metric tons)	Working cost per ounce‡	Cash dividends* present	Cash dividends* estimated @ $500 per ounce	Market price as % of sum of present value per share	Sum of present value per share @ $500/oz†**	Recent market price	Current yield
$271	7	Blyvooruitzicht (U)	19	$141	$2.48	$3.04	54%	$24.54	13¼	18.7%
227	13	Buffelsfontein (U)	26	185	3.97	5.70	46	65.75	30¼	13.1
252	9	Doornfontein	12	160	0.50	2.60	44	29.10	12¾	3.9
349	38	East Driefontein	47	63	2.98	4.46	53	41.95	22⅜	13.3
303	11	Free State Geduld (U)	36	141	5.83	10.23	45	114.88	51⅝	11.3
172	14	Harmony (U)	32	240	2.11	4.59	45	39.65	17⅞	11.8
271	16	Hartebeestfontein (U)	32	141	7.44	12.71	59	93.81	55	13.5
261	13	Kinross	9	151	1.04	1.74	61	17.43	10⅝	9.8
324	21	Kloof	32	88	1.98	3.91	54	50.22	27⅛	7.3
254	11	Libanon	12	158	1.24	5.39	45	45.61	20½	6.0
295	13	President Brand (U)	31	117	4.46	6.70	52	68.07	35⅛	12.7
247	14	President Steyn (U)	25	165	2.91	5.77	43	78.31	33⅝	8.7
207	16	Randfontein (U)	23	205	8.68	15.44	43	156.21	67	13.0
299	11	St Helena	17	113	4.34	7.38	43	69.55	30	14.5
225	6	Stilfontein (S)	17	187	2.48	3.72	55	26.99	14¾	16.8
251	28	Vaal Reefs	63	161	7.94	11.28	33	153.40	50¼	15.8
203	6	Welkom	11	209	1.67	3.22	74	19.23	14¼	11.7
347	13	West Driefontein (U)	50	65	7.44	17.98	45	146.73	66¼	11.2
199	15	Western Areas	20	213	0.87	1.43	43	17.30	7½	11.6
320	20	Western Deep Levels (U)	50	92	5.58	6.26	46	74.55	34⅝	16.1
302	8	Western Holdings	30	110	9.30	15.19	57	109.42	62½	14.9
311	16	Winkelhaak	15	101	3.10	5.02	54	45.01	24½	12.7

*Figures from *America's Fastest Growing Companies*, John S. Herold, Inc. †Figures from *International Investor's Viewpoint*, Portland, Ore. ‡Figures from Carr, Sebag & Co., London, April 1980. **The sum of the present value is an estimate of future earnings in U.S. dollars, at a discount rate of 10% per year. U: Significant uranium. S: State-assisted.

Silver companies

Total revenues (mil)	Estimated recoverable silver (thousand ounces)*‡	Silver companies	Market price as % of estimated reserve value per share	Estimated reserve value per share*†**	Recent market price	52-week price range	Price/earnings ratio	Growth in earnings (7-year average)	Current yield
$ 0.6	1,134	Big Creek Apex	146%	$ 3.42	5	7 — 3½	36	144%[bd]	2%
65.7	13,533	Callahan Mining	286	9.13[a]	26⅛	36½—10¾	8	71	none
8.8	10,568	Coeur d'Alene Mines	119	13.43[a]	16	27 —11⅛	18	NM	none
29.4	16,716	Day Mines	91	26.99	24½	44¼—11¼	7	168[b]	3.1
510.0	7,271	Gulf Resources & Chemical	148	16.25	24⅛	37⅞—11½	17	64	1.3
63.7	19,984	Hecla Mining	164	16.90	27¾	53½— 9⅛	8	413[c]	none
4.3	2,991	Silver Dollar Mining	146	8.38	12¼	19 — 4½	12	173[d]	1.4
1.7	2,518	Silver Syndicate	111	5.41	6	8 — 3	23	153[bd]	none
0.7	848	Sunshine Consolidated	121	3.09	3¾	5¼— 2	NM	NM	none
23.6	90,134	Sunshine Mining	47	26.50[a]	12½	16½— 5⅛	15	65	3.2

*Provided by Willamette Management Associates, Inc., Portland, Ore. †Based on shares outstanding December 1978. ‡Assumes 90% recovery rate on year-end 1978 reserves. **Assumes $9-per-ounce silver in first year, increasing at 12.5% per year compounded. [a]Adjusted for stock split or stock dividend. [b]Less than seven years' data. [c]1978-79 only. [d]Calculated on per-share basis. NM: Not meaningful.

500's

SALES ASSETS PROFITS MARKET VALUE

THE FORBES 500's

Last year, for a change, everything was up for the top 500 U.S. companies, even the stock market. But the gains, all of them, were considerably less than meets the eye.

IT HAS BEEN AT LEAST SEVERAL YEARS since the major U.S. companies—the top 500 in sales, profits, assets and stock market value—seemed to be marching to the same drummer, but last year that was the case, to judge from the percentage increases recorded for each of the four categories as compared with those of the preceding year. The figures:

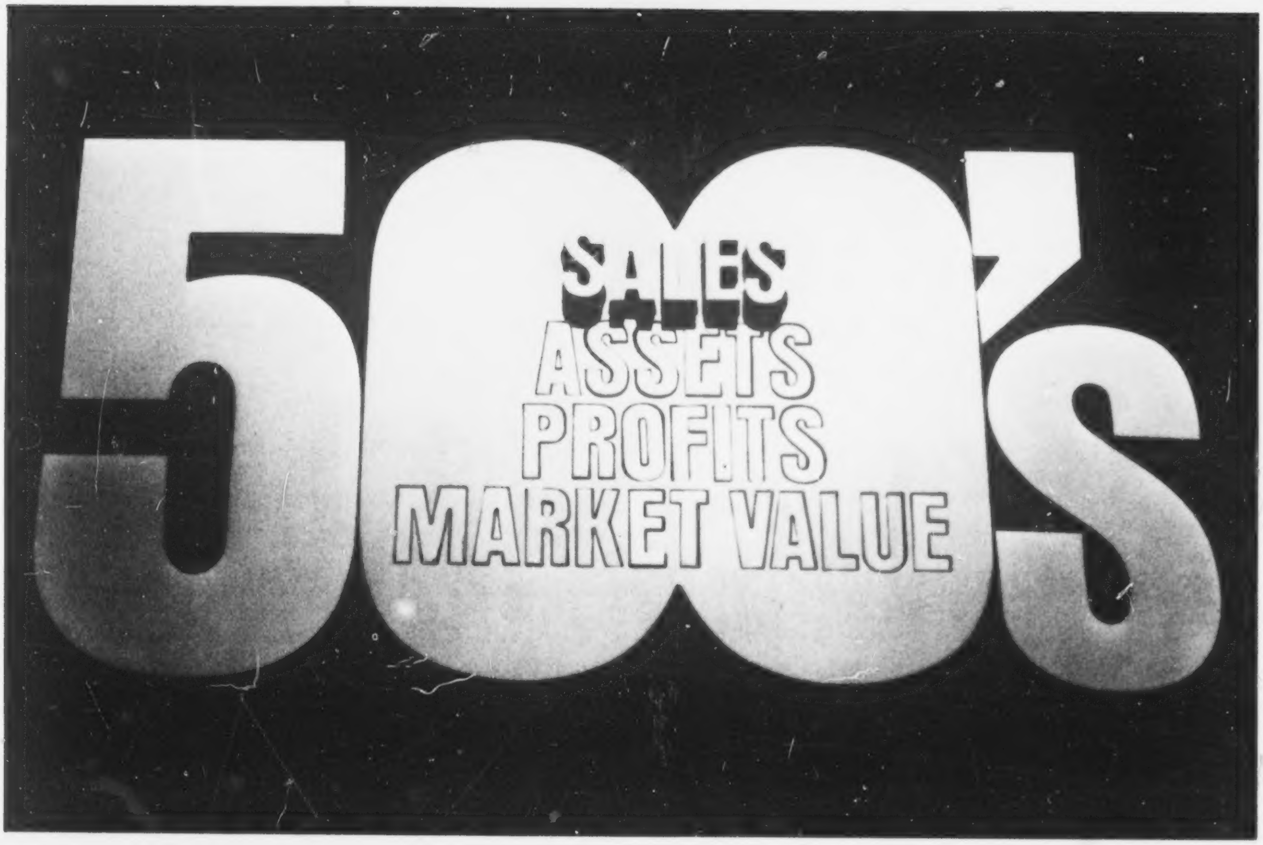
	1979	1978
Sales	+18.8%	+13.0%
Profits	+22.6	+15.4
Assets	+13.8	+13.1
Market Value	+15.9	+ 3.0

Notice the symmetry: The percentage increases for three of the four are fairly close, the only one clearly out of step being assets. For those who said the stock market was dead, these figures are an embarrassing contradiction: Unlike in 1978, when stock values increased hardly at all, they rose nearly 16% last year.

One reason why the beautifully symmetric improvement of the economy, as suggested by these figures, is less beautiful than it might be is inflation itself, a kind of great leveler that reduces the value of all dollar figures indiscriminately. With the average rate of inflation last year running at an alarming 11.3%—calculated by taking the rate actually in effect for each month of the year and then averaging the periods—the real value of a dollar of profit in 1979 was not as great as it had been in 1978, and neither was a dollar of sales nor a dollar of stock market value. Factoring out inflation, then, stock prices rose only about 4.6% and the earnings gains over the previous year shrink considerably.

One of the most important drawbacks of inflation is that it continually tends to deceive us in our interpretation of economic statistics. There is a tendency inevitably to look at General Motors' sales gain of nearly 5% measured in dollars as a modest gain—not as the absolute loss that it was when adjusted for 11.3% inflation; and Sears, Roebuck's 0.7% "gain" was, in fact, a disaster.

The FORBES 500s and all such compilations are snapshots that freeze the economy in some past moment. They do not mirror the present—much less predict the recessionary future into which we seem to be heading. Since the year ended to which these statistics apply, the stock market has already given up a major part of its gains, and when the 1980 tally is complete 12 months from now nearly all of the numbers will be down—with the possible exception of the inflation rate.



THE FORBES SALES 500

The top 500 U.S. public companies taken as a group made creditable gains in real sales last year despite the pervasive presence of inflation. But there were orphans aplenty at the feast.

LAST YEAR WAS THE YEAR when inflation became clearly more important than salesmanship in determining the sales of the top 500 U.S. companies. As a group, they reported sales of $1.9 trillion, representing an impressive gain of 18.8% over the $1.6 trillion total for the preceding year. But more than half of that gain resulted from last year's average 11.3% inflation; adjust for that and the real gain in sales was 7.5%. The year before, a dollar gain of 13% adjusted for an average 7.7% inflation yielded a real increase of a bit over 5%.

Even fewer companies—13 *vs.* 24—suffered sales declines last year, the largest being Food Fair, with a 64% dip as a consequence of its partial liquidation. (The biggest decline by a manufacturing company was shown not by Chrysler but by Northrop, whose sales were down 13.5% from halving its F-5 production.) The smallest company on this year's sales list was Zale, with sales of $904 million. Almost surely, it will take $1 billion in sales next year just to make the list.

In sales as in earnings, 1979 was the year of the oil company, with Exxon replacing General Motors as number one and oil companies making up half of the top ten companies. Those top five oil companies racked up sales gains averaging 31% last year, compared with a gain of only 5% for the top five nonoil companies, but that's no surprise.

Rank 1979	Rank 1978	Company	Sales ($000,000)	% Change Over 1978
1	2	**Exxon**	79,107	31.1
2	1	**General Motors**	66,311	4.9
3	4	**American Tel & Tel**	45,408	10.8
4	5	**Mobil**	44,721	28.7
5	3	**Ford Motor**	43,514	1.7

To be sure, oil companies were by no means the only strong revenue performers last year. Minerals and trading companies like Engelhard Minerals (up 78%) did very well. So did big banks like Citicorp (up 44.3%) and BankAmerica (up 35.7%), counting operating income as equivalent to sales. But one cannot study the list without being impressed by the number of major U.S. companies or even entire industries that were nowhere near keeping up with inflation. An obvious case is the auto industry, where Ford could muster a sales gain of only 1.7%, and even mighty GM is up under 5%—in an 11.3% inflationary economy. Among the big retailers, only Woolworth (up 11.2%) made a really creditable showing. Once-redoubtable Sears had a puny 0.7% sales gain.

THE FORBES SALES 500

Rank 1979	Rank 1978	Company	Sales ($000,000)	% Change Over 1978	Rank 1979	Rank 1978	Company	Sales ($000,000)	% Change Over 1978	Rank 1979	Rank 1978	Company	Sales ($000,000)	% Change Over 1978
6	6	**Texaco**	38,350	34.1	**61**	60	**Monsanto**	6,193	23.4	**116**	150	**Mfrs Hanover**	3,847	46.6
7	8	**Standard Oil Calif**	29,948	28.9	**62**	53	**Rockwell Intl**	6,176	9.0	**117**	90	**UAL**	3,832	–1.5
8	12	**Gulf Oil**	23,910	32.3	**63**	61	**Philip Morris**	6,144	23.7	**118**	120	**Loews**	3,831	18.3
9	7	**Sears Roebuck**	23,660	0.7	**64**	71	**Chase Manhattan**	6,079	36.3	**119**	383	**American Stores**	3,786	247.4
10	9	**IBM**	22,863	8.5	**65**	67	**Lucky Stores**	5,816	24.8	**120**	114	**American Brands**	3,772	14.5
11	10	**General Electric**	22,461	14.3	**66**	55	**Federated Dept Stores**	5,806	7.4	**121**	106	**Jewel Companies**	3,764	7.1
12	11	**Intl Tel & Tel**	21,996	13.4	**67**	56	**General Foods**	5,472	1.8	**122**	111	**Champion Intl**	3,751	7.9
13	13	**Standard Oil Ind**	18,610	24.4	**68**	65	**Minn Mining & Mfg**	5,440	16.7	**123**	117	**General Mills**	3,745	15.5
14	22	**Engelhard Minerals**	18,080	78.0	**69**	69	**Household Finance**	5,311	16.9	**124**	149	**IC Industries**	3,735	39.8
15	16	**Atlantic Richfield**	16,234	32.0	**70**	78	**Gulf & Western Inds**	5,288	22.6	**125**	119	**Raytheon**	3,728	15.1
16	18	**Shell Oil**	14,431	30.4	**71**	63	**Firestone**	5,284	8.3	**126**	122	**CPC International**	3,699	14.8
17	15	**Safeway Stores**	13,718	9.3	**72**	84	**McDonnell Douglas**	5,279	27.8	**127**	118	**CBS**	3,670	13.2
18	19	**United States Steel**	12,929	17.0	**73**	79	**W R Grace**	5,267	22.2	**128**	116	**Inland Steel**	3,635	11.9
19	17	**K mart**	12,859	8.9	**74**	73	**Georgia-Pacific**	5,207	18.3	**129**	168	**J P Morgan**	3,634	48.5
20	23	**Conoco**	12,648	33.8	**75**	80	**PepsiCo**	5,091	18.4	**130**	123	**Teledyne**	3,585	11.3
21	21	**E I du Pont**	12,572	18.8	**76**	68	**Connecticut General**	5,090	9.6	**131**	151	**Schlumberger**	3,550	35.5
22	14	**Chrysler**	12,002	–11.9	**77**	94	**City Investing**	5,041	32.9	**132**	139	**Fluor**	3,543	23.6
23	24	**Aetna Life & Cas**	11,447	21.1	**78**	74	**Armco**	5,035	15.6	**133**	125	**Owens-Illinois**	3,529	12.7
24	20	**J C Penney**	11,274	4.0	**79**	76	**Coca-Cola**	4,961	14.4	**134**	131	**Super Valu Stores**	3,475	14.6
25	25	**Tenneco**	11,209	27.9	**80**	82	**Deere**	4,933	18.7	**135**	148	**United Brands**	3,470	27.4
26	30	**Citicorp**	10,904	44.3	**81**	72	**Winn-Dixie Stores**	4,931	10.9	**136**	129	**Dresser Industries**	3,457	13.2
27	33	**Sun Company**	10,666	43.6	**82**	107	**Getty Oil**	4,831	37.4	**137**	127	**American Home Prod**	3,401	11.1
28	26	**General Tel & Elec**	9,958	14.1	**83**	87	**Alcoa**	4,786	18.1	**138**	121	**Textron**	3,393	5.0
29	46	**Occidental Petroleum**	9,555	52.8	**84**	104	**Consolidated Foods**	4,720	33.5	**139**	135	**Dayton-Hudson**	3,385	14.3
30	37	**Phillips Petroleum**	9,503	35.8	**85**	75	**Greyhound**	4,700	8.0	**140**	194	**Continental Illinois**	3,376	53.4
31	38	**BankAmerica**	9,450	35.7	**86**	85	**American Express**	4,667	14.2	**141**	142	**Eaton**	3,360	20.4
32	27	**Procter & Gamble**	9,329	15.2	**87**	86	**Ralston Purina**	4,601	13.4	**142**	132	**Consolidated Edison**	3,333	10.7
33	39	**Dow Chemical**	9,255	34.4	**88**	95	**TRW**	4,560	20.4	**143**	130	**Foremost-McKesson**	3,313	8.6
34	28	**Union Carbide**	9,177	16.6	**89**	81	**INA**	4,551	7.7	**144**	136	**FMC**	3,307	13.6
35	45	**United Technologies**	9,053	44.5	**90**	83	**International Paper**	4,533	9.2	**145**	140	**Reynolds Metals**	3,305	16.8
36	29	**Kroger**	9,029	15.3	**91**	88	**American Can**	4,515	13.4	**146**	172	**Chemical New York**	3,292	36.7
37	40	**Intl Harvester**	8,392	25.9	**92**	77	**Colgate-Palmolive**	4,494	4.2	**147**	128	**Continental Corp**	3,253	6.3
38	31	**Goodyear**	8,239	10.0	**93**	93	**Weyerhaeuser**	4,423	16.4	**148**	147	**American Airlines**	3,253	18.9
39	54	**Boeing**	8,131	48.8	**94**	112	**Pacific Gas & Elec**	4,372	27.3	**149**	161	**Burlington Northern**	3,250	28.4
40	36	**Eastman Kodak**	8,028	14.5	**95**	89	**Continental Group**	4,370	10.8	**150**	145	**Control Data**	3,250	18.7
41	57	**LTV**	7,997	52.0	**96**	98	**Trans World**	4,334	17.3	**151**	160	**Texas Instruments**	3,224	26.4
42	58	**Standard Oil Ohio**	7,916	52.3	**97**	115	**Allied Chemical**	4,332	32.6	**152**	138	**Warner-Lambert**	3,217	11.8
43	34	**Travelers**	7,889	7.8	**98**	92	**Borden**	4,313	13.4	**153**	157	**Pullman**	3,197	23.8
44	42	**Halliburton**	7,766	16.9	**99**	102	**Signal Companies**	4,293	19.1	**154**	144	**American Cyanamid**	3,187	16.1
45	35	**Caterpillar Tractor**	7,613	5.5	**100**	91	**Coastal Corp**	4,287	11.8	**155**	153	**Celanese**	3,146	20.6
46	49	**Union Oil California**	7,568	27.1	**101**	217	**Charter**	4,250	113.2	**156**	338	**J Ray McDermott**	3,145	143.1
47	44	**Beatrice Foods**	7,468	18.3	**102**	96	**National Steel**	4,234	12.9	**157**	215	**Utd Energy Resources**	3,134	56.4
48	43	**RCA**	7,455	12.9	**103**	133	**Iowa Beef Processors**	4,216	42.1	**158**	137	**Southern Company**	3,128	7.6
49	41	**Westinghouse Elec**	7,332	10.0	**104**	113	**Fedl Natl Mortgage**	4,212	26.8	**159**	155	**American Motors**	3,117	20.6
50	47	**Bethlehem Steel**	7,137	15.4	**105**	108	**Johnson & Johnson**	4,212	20.4	**160**	141	**PPG Industries**	3,092	10.7
51	62	**R J Reynolds Inds**	7,133	44.1	**106**	103	**Honeywell**	4,210	18.7	**161**	212	**El Paso**	3,089	52.1
52	50	**Xerox**	7,027	19.1	**107**	100	**Sperry**	4,179	14.5	**162**	152	**NCR**	3,003	15.0
53	48	**F W Woolworth**	6,785	11.2	**108**	99	**Litton Industries**	4,088	11.9	**163**	154	**B F Goodrich**	2,988	15.2
54	64	**Amerada Hess**	6,770	44.0	**109**	124	**General Dynamics**	4,060	26.7	**164**	156	**May Dept Stores**	2,977	15.3
55	51	**Esmark**	6,743	15.7	**110**	109	**Lockheed**	4,058	16.4	**165**	213	**Texas Eastern**	2,944	45.2
56	32	**Great Atl & Pac Tea**	6,684	–10.5	**111**	105	**Transamerica**	4,045	14.7	**166**	165	**Kaiser Alum & Chem**	2,927	18.7
57	70	**Marathon Oil**	6,681	48.1	**112**	134	**Union Pacific**	3,989	34.6	**167**	159	**Boise Cascade**	2,917	13.3
58	59	**Ashland Oil**	6,474	25.3	**113**	110	**Republic Steel**	3,987	14.6	**168**	175	**Eastern Air Lines**	2,882	21.1
59	52	**Kraft**	6,433	13.5	**114**	101	**Bendix**	3,856	5.7	**169**	252	**AMAX**	2,865	63.6
60	66	**Cities Service**	6,277	34.7	**115**	126	**Southland**	3,856	25.3	**170**	163	**Columbia Gas Sys**	2,852	16.1

THE FORBES SALES 500

Rank 1979	Rank 1978	Company	Sales ($000,000)	% Change Over 1978
171	158	**Carnation**	2,826	9.7
172	173	**American Elec Power**	2,814	17.8
173	166	**Crown Zellerbach**	2,804	14.2
174	170	**Burroughs**	2,785	15.0
175	187	**Anheuser-Busch Cos**	2,776	22.8
176	188	**Dana**	2,761	22.6
177	179	**Combustion Engnrng**	2,758	18.3
178	167	**Bristol-Myers**	2,753	12.3
179	176	**Pfizer**	2,746	16.3
180	225	**Bankers Trust N Y**	2,727	41.8
181	169	**Commonwlth Edison**	2,721	11.4
182	182	**Borg-Warner**	2,717	16.8
183	192	**Motorola**	2,714	22.3
184	174	**Norton Simon**	2,705	13.7
185	216	**Western Bancorp**	2,690	34.5
186	209	**Kerr-McGee**	2,683	29.5
187	171	**Burlington Inds**	2,676	10.5
188	186	**Albertson's**	2,674	17.8
189	229	**First Chicago**	2,646	38.9
190	185	**Southern Pacific**	2,626	15.3
191	162	**IU International**	2,619	3.9
192	200	**Emerson Electric**	2,614	20.1
193	178	**Standard Brands**	2,613	10.8
194	164	**Singer**	2,598	5.2
195	177	**Northwest Industries**	2,580	9.3
196	146	**Uniroyal**	2,575	–5.9
197	183	**Mead**	2,570	10.7
198	181	**So Calif Edison**	2,564	10.1
199	207	**Santa Fe Industries**	2,556	21.8
200	180	**Ingersoll-Rand**	2,542	9.0
201	190	**Fleming Companies**	2,508	12.3
202	221	**Amer Natl Resources**	2,506	27.6
203	264	**Time Inc**	2,504	47.5
204	226	**InterNorth**	2,499	30.2
205	184	**St Regis Paper**	2,498	8.6
206	193	**Pan Am World Airways**	2,485	12.7
207	202	**H J Heinz**	2,471	14.9
208	189	**Fruehauf**	2,451	9.2
209	195	**Central Soya**	2,448	11.2
210	198	**Lincoln National**	2,445	11.5
211	234	**Peoples Energy**	2,442	29.9
212	250	**Security Pacific**	2,438	38.5
213	232	**Kennecott Copper**	2,434	29.0
214	205	**American Standard**	2,432	15.2
215	211	**Delta Air Lines**	2,428	18.4
216	191	**Pub Svc Elec & Gas**	2,417	8.9
217	199	**North Amer Philips**	2,409	10.3
218	204	**Carter Hawley Hale**	2,408	13.8
219	245	**Dart Industries**	2,403	32.0
220	219	**Merck**	2,385	20.3
221	214	**Avon Products**	2,378	18.0
222	210	**Supermarkets General**	2,373	15.1
223	341	**Tesoro Petroleum**	2,370	85.8
224	197	**Nabisco**	2,362	7.5
225	257	**Hewlett-Packard**	2,361	36.6
226	269	**Diamond Shamrock**	2,357	40.5
227	223	**Hercules**	2,345	20.5
228	220	**American Intl Group**	2,328	17.5
229	233	**Beneficial Corp**	2,314	20.7
230	201	**Rapid-American**	2,312	6.6
231	239	**Archer Danls Midland**	2,298	23.7
232	196	**Genl Tire & Rubber**	2,295	4.3
233	235	**Walter Kidde**	2,284	21.6
234	272	**Johns-Manville**	2,283	38.0
235	208	**Whirlpool**	2,261	8.6
236	218	**Campbell Soup**	2,249	13.4
237	238	**Owens-Corning Fbrgls**	2,245	20.7
238	242	**Ogden**	2,241	22.2
239	206	**Allied Stores**	2,240	6.3
240	267	**ENSERCH**	2,238	32.9
241	227	**Kimberly-Clark**	2,218	16.1
242	240	**Eli Lilly**	2,206	19.1
243	259	**Pacific Lighting**	2,200	27.4
244	230	**Seaboard Coast Line**	2,174	14.2
245	262	**Pillsbury**	2,166	27.0
246	246	**Colt Industries**	2,141	18.4
247	224	**U S Fidelity & Gty**	2,136	10.2
248	268	**Levi Strauss**	2,103	25.0
249	228	**Wickes**	2,095	9.7
250	251	**Martin Marietta**	2,061	17.2
251	243	**R H Macy**	2,058	12.2
252	276	**Fuqua Industries**	2,057	25.2
253	222	**Gamble-Skogmo**	2,053	5.0
254	293	**Merrill Lynch**	2,052	34.2
255	288	**Pennzoil**	2,052	32.1
256	284	**Consol Natural Gas**	2,046	29.0
257	255	**Amer Hospital Supply**	2,039	17.1
258	247	**Amer Broadcasting**	2,029	14.9
259	236	**Gould**	2,029	8.5
260	241	**Interco**	2,024	9.3
261	254	**Melville**	2,023	15.8
262	302	**Wells Fargo**	2,018	35.6
263	271	**White Consolidated**	2,010	21.4
264	237	**Consumers Power**	2,003	7.3
265	253	**ARA Services**	2,002	14.5
266	261	**Gillette**	1,985	16.0
267	263	**Missouri Pacific**	1,982	16.4
268	248	**Allis-Chalmers**	1,973	11.9
269	315	**Panhandle Eastern**	1,968	39.5
270	266	**Quaker Oats**	1,966	16.7
271	274	**Florida Power & Lt**	1,934	17.4
272	258	**Avco**	1,932	11.8
273	270	**Jim Walter**	1,932	15.5
274	363	**Tosco**	1,922	64.9
275	291	**Alco Standard**	1,917	24.4
276	275	**McDonald's**	1,912	16.3
277	260	**Scott Paper**	1,908	10.6
278	256	**Amer Genl Insurance**	1,886	8.4
279	289	**PACCAR**	1,883	21.3
280	249	**Stop & Shop**	1,879	6.6
281	280	**Chessie System**	1,860	15.6
282	326	**Houston Industries**	1,854	37.4
283	300	**Williams Companies**	1,850	23.6
284	265	**Kellogg**	1,847	9.2
285	273	**J P Stevens**	1,833	11.0
286	285	**Koppers**	1,828	15.6
287	278	**Middle South Utils**	1,823	12.4
288	231	**NL Industries**	1,810	–4.4
289	310	**Digital Equipment**	1,804	25.6
290	287	**Houston Natural Gas**	1,798	15.7
291	303	**Dillon Companies**	1,792	22.3
292	311	**United Telecom**	1,792	25.1
293	281	**Associated Dry Goods**	1,783	11.1
294	290	**St Paul Companies**	1,783	15.6
295	286	**Olin**	1,778	14.0
296	296	**National Distillers**	1,773	17.3
297	294	**Cummins Engine**	1,771	16.4
298	282	**Texas Utilities**	1,756	9.5
299	297	**SCM**	1,754	16.2
300	292	**Crum & Forster**	1,745	13.3
301	298	**Clark Equipment**	1,738	15.2
302	360	**ASARCO**	1,724	46.8
303	320	**Consol Freightways**	1,720	24.1
304	308	**Revlon**	1,718	18.3
305	304	**Va Electric & Power**	1,703	16.3
306	283	**Detroit Edison**	1,699	6.8
307	299	**Amfac**	1,689	12.6
308	351	**Texas Gas Transmn**	1,687	38.3
309	309	**Abbott Laboratories**	1,683	16.5
310	313	**Ethyl**	1,657	16.5
311	301	**Foster Wheeler**	1,654	11.1
312	336	**Warner Commun**	1,648	25.9
313	328	**Pittston**	1,648	22.6
314	314	**Times Mirror**	1,639	16.1
315	373	**First Natl Boston**	1,637	44.7
316	321	**Malone & Hyde**	1,616	16.8
317	331	**Castle & Cooke**	1,593	19.8
318	344	**Rohm & Haas**	1,590	26.9
319	362	**American Petrofina**	1,587	35.9
320	244	**Northrop**	1,582	–13.5
321	305	**Phila Electric**	1,579	8.4
322	367	**Crocker National**	1,578	37.3
323	327	**Emhart**	1,573	16.9
324	350	**Crane**	1,573	28.2
325	357	**Murphy Oil**	1,569	31.7
326	340	**NICOR**	1,562	22.1
327	337	**Allegheny Ludlum Inds**	1,550	18.7
328	319	**Zayre**	1,550	11.2
329	317	**Chromalloy American**	1,536	10.0
330	405	**Transco Companies**	1,528	56.7
331	332	**Stauffer Chemical**	1,526	14.9
332	316	**United States Gypsum**	1,525	9.1
333	339	**Niagara Mohawk Pwr**	1,517	18.5
334	330	**Upjohn**	1,514	13.6
335	346	**Marriott**	1,510	20.8

THE FORBES SALES 500

Rank 1979	Rank 1978	Company	Sales ($000,000)	% Change Over 1978
336	335	Sterling Drug	1,501	14.2
337	318	Duke Power	1,493	6.9
338	333	General Public Utils	1,490	12.3
339	451	Anderson, Clayton	1,490	13.7
340	361	Evans Products	1,482	26.6
341	306	Grumman	1,476	1.4
342	324	Intl Minerals & Chem	1,475	8.1
343	342	Southern Railway	1,467	16.4
344	375	Ryder System	1,455	29.4
345	458	Turner Construction	1,454	69.1
346	295	Squibb	1,453	–4.2
347	380	Norfolk & Western Ry	1,449	32.1
348	390	So Natural Resources	1,446	37.3
349	334	AMF	1,438	9.3
350	352	A E Staley Mfg	1,435	18.2
351	385	Schering-Plough	1,434	32.5
352	345	Corning Glass Works	1,422	13.6
353	347	George A Hormel	1,414	13.6
354	397	Marine Midland Bks	1,412	40.1
355	329	Central & South West	1,409	5.2
356	343	Crown Cork & Seal	1,402	11.3
357	325	Oscar Mayer	1,397	3.5
358	492	Cooper Industries	1,395	78.4
359	356	Union Camp	1,389	16.5
360	449	Morrison-Knudsen	1,366	55.9
361	322	Polaroid	1,361	–1.1
362	354	MCA	1,354	14.3
363	376	SmithKline	1,351	21.5
364	408	National Can	1,347	21.7
365	410	Braniff Intl	1,346	38.5
366	355	Walgreen	1,345	12.7
367	394	General Signal	1,343	30.4
368	348	Armstrong Cork	1,341	7.8
369	368	Genuine Parts	1,337	16.4
370	307	Fisher Foods	1,336	–8.0
371	366	McGraw-Edison	1,331	15.3
372	364	Lear Siegler	1,327	14.9
373	372	Jack Eckerd	1,325	17.1
374	359	Sunbeam	1,323	12.3
375	■	Valero Energy	1,321	23.0
376	488	Northwest Airlines	1,311	65.9
377	443	Irving Bank	1,304	45.9
378	358	Heublein	1,303	9.5
379	392	Louisiana-Pacific	1,302	24.9
380	413	Wal-Mart Stores	1,294	34.7
381	377	Diamond Intl	1,283	15.8
382	379	Timken	1,282	15.9
383	398	Phelps Dodge	1,281	27.1
384	323	U S Industries	1,274	–7.1
385	349	Reliance Group	1,266	2.1
386	374	Brunswick	1,257	11.6
387	420	Kemper	1,247	31.5
388	386	Giant Food	1,243	15.0
389	365	Wheeling-Pitts Steel	1,242	7.6
390	393	Air Prods & Chems	1,230	18.4
391	370	Westvaco	1,224	7.5
392	389	Tandy	1,215	14.7
393	425	Commonwealth Oil	1,214	30.4
394	387	Safeco	1,213	12.5
395	388	GAF	1,213	14.1
396	395	H F Ahmanson	1,211	18.2
397	381	White Motor	1,211	10.5
398	378	Libbey-Owens-Ford	1,208	9.1
399	416	Black & Decker	1,205	25.5
400	371	Sherwin-Williams	1,196	5.7
401	419	No Indiana Pub Svc	1,196	25.9
402	384	Chubb	1,196	10.0
403	399	Baxter Travenol Labs	1,191	18.6
404	409	Chesebrough-Pond's	1,177	21.0
405	431	Baker International	1,169	27.2
406	■	Hershey Foods	1,161	51.2
407	414	Gt Northern Nekoosa	1,158	20.5
408	404	Clark Oil & Refining	1,157	18.5
409	430	Dillingham	1,155	25.6
410	481	St Joe Minerals	1,148	43.8
411	478	Mellon National	1,148	42.4
412	450	Northwest Bancorp	1,145	30.9
413	401	Brown Group	1,145	16.4
414	423	Petrolane	1,144	21.6
415	■	Commercial Metals	1,142	63.5
416	463	GK Technologies	1,141	34.5
417	433	Continental Tel	1,135	24.2
418	415	Norton	1,133	18.0
419	■	Cabot	1,122	57.4
420	472	Northwest Energy	1,120	36.5
421	353	Holiday Inns	1,113	–7.5
422	■	First Natl Supermkts	1,112	190.7
423	429	Interlake	1,105	19.9
424	422	Waldbaum	1,103	17.2
425	400	Roadway Express	1,094	11.0
426	421	Richardson-Merrell	1,091	15.4
427	■	Penn Central	1,087	63.0
428	■	Superior Oil	1,085	48.5
429	428	Pennwalt	1,079	17.1
430	434	Hammermill Paper	1,077	18.0
431	402	Zenith Radio	1,075	9.7
432	465	Northeast Utilities	1,074	27.7
433	446	Whittaker	1,074	21.5
434	■	First Intl Bshs	1,071	45.4
435	427	Mercantile Stores	1,068	15.8
436	■	Gannett	1,065	54.4
437	426	Fred Meyer	1,060	14.4
438	407	Wetterau	1,059	8.8
439	418	Amstar	1,056	10.5
440	■	Crown Central Petrol	1,055	60.4
441	484	First Bank System	1,054	32.4
442	403	No States Power	1,048	7.0
443	432	National Tea	1,046	13.8
444	439	Long Island Lighting	1,045	16.3
445	452	Blue Bell	1,029	18.0
446	441	Di Giorgio	1,029	14.6
447	476	Avnet	1,028	27.5
448	■	Pitney Bowes	1,025	44.1
449	440	Allegheny Power	1,025	14.2
450	■	Johnson Controls	1,024	70.8
451	406	Baltimore Gas & Elec	1,014	4.1
452	480	AMP	1,013	26.5
453	444	West Point-Pepperell	1,013	14.4
454	455	Akzona	1,012	16.5
455	459	Rexnord	1,010	17.6
456	445	Campbell Taggart	1,007	13.9
457	469	Sysco	1,002	20.9
458	143	Food Fair	1,000	–64.1
459	457	Ohio Edison	995	15.3
460	391	Genesco	993	–5.3
461	464	Dravo	992	17.4
462	■	First Pennsylvania	991	32.9
463	473	ACF Industries	983	20.0
464	453	Harris Corp	982	12.6
465	447	Knight-Ridder News	980	11.5
466	466	Universal Leaf	978	16.6
467	■	Kaiser Steel	975	37.0
468	■	Fed-Mart	975	40.0
469	■	Natomas	967	120.9
470	■	Witco Chemical	967	28.6
471	■	Ex-Cell-O	962	31.8
472	495	R R Donnelley & Sons	958	22.8
473	■	Dun & Bradstreet	952	24.8
474	■	Republic of Texas	951	51.5
475	■	Wheelabrator-Frye	947	52.0
476	448	Washington National	947	7.9
477	437	Union Electric	947	4.7
478	461	Liggett Group	946	11.5
479	474	Harsco	945	16.0
480	456	Provident Life & Acc	945	9.0
481	■	Scovill	942	24.5
482	■	Cessna Aircraft	939	23.7
483	471	Leaseway Transportn	937	14.1
484	■	U S Home	935	32.0
485	467	Western Air Lines	932	11.7
486	470	Intl Multifoods	931	13.2
487	497	Continental Airlines	928	19.7
488	486	Revco D S	928	17.1
489	■	Humana	927	44.3
490	■	Public Service Colo	927	27.0
491	438	Carolina Pwr & Lt	926	2.5
492	498	Trans Union	923	19.4
493	■	Tiger International	920	31.5
494	454	Flickinger	920	5.8
495	442	Certain-teed	916	2.3
496	496	Cyclops	915	17.5
497	424	American Financial	913	0.1
498	491	Borman's	905	15.5
499	485	Lowe's Companies	905	14.1
500	487	Zale	904	14.4

■ Not on 500 list in 1978.

500's

SALES
ASSETS
PROFITS
MARKET VALUE

THE FORBES PROFITS 500

The good news: Total profits of the top 500 U.S. companies rose sharply in 1979. The bad news? It went mainly to a favored few.

THE TOTAL EARNINGS of the companies in the FORBES Profits 500 reached $110.2 billion in 1979, up 22.6% from 1978's $89.9 billion. Even allowing for 11.3% average inflation, that's a real gain of over 11%, *vs.* 1978's 7.7%. What is disturbing—though not surprising—is that things across the board were not nearly so good as the totals suggest.

A few industries—oil, mining, defense—did spectacularly in 1979, and their gains masked so-so results or outright declines elsewhere. Forty-three companies from 1978's Profits 500 didn't make it this time (*vs.* 37 dropouts in 1978), and another 53 of this year's list suffered declines. Steel had such a rough year that industry leader U.S. Steel was knocked off the list, though Bethlehem, having taken its writedown medicine a bit earlier than Big Steel, was up 22.5%. Automotive companies predictably suffered earnings drops: Goodyear was down 35.4%, Ford 26.4%, General Motors 17.5%. Utilities were off for the second straight year, while fuel price hikes kicked TWA and Braniff right off the list.

The big gainers were, of course, the oil and gas companies, which made up almost half of the 36 outfits that doubled earnings last year; and their gains were made on solid profit bases. Profiteering from the energy crisis? Last year's introduction to the Profits 500 noted the *substandard* profit gains of the oil companies in 1978. Too bad the knee-jerk knockers of the industry have such short memories.

Rank 1979	Rank 1978	Company	Net Profits ($000,000)	% Change Over 1978	Cash Flow ($000,000)	Cash Flow Rank 1979
1	1	**American Tel & Tel**	5,674.2	7.6	13,903	1
2	4	**Exxon**	4,295.2	55.5	7,698	2
3	3	**IBM**	3,011.3	–3.2	6,113	3
4	2	**General Motors**	2,892.7	–17.5	5,759	4
5	7	**Mobil**	2,007.2	78.3	3,628	5
6	8	**Standard Oil Calif**	1,784.7	61.4	2,771	11
7	12	**Texaco**	1,759.1	106.4	3,212	7
8	9	**Standard Oil Ind**	1,506.6	40.0	2,842	10
9	6	**General Electric**	1,408.8	14.6	2,007	18
10	15	**Gulf Oil**	1,322.0	67.1	2,762	12
11	31	**Standard Oil Ohio**	1,186.1	163.5	2,179	15
12	5	**Ford Motor**	1,169.3	–26.4	3,290	6
13	14	**Atlantic Richfield**	1,165.9	45.0	2,511	14
14	13	**Shell Oil**	1,125.6	38.3	2,064	16
15	11	**Eastman Kodak**	1,000.8	10.9	1,397	27
16	16	**E I du Pont**	938.9	19.3	1,870	19
17	17	**Phillips Petroleum**	891.1	25.4	1,592	21
18	30	**Conoco**	815.4	80.7	1,521	23
19	10	**Sears Roebuck**	785.2	–13.3	1,393	28
20	20	**Dow Chemical**	783.9	36.3	1,496	24

THE FORBES PROFITS 500

Rank 1979	Rank 1978	Company	Net Profits ($000,000)	% Change Over 1978	Cash Flow ($000,000)	Cash Flow Rank 1979
21	41	**Sun Company**	699.9	91.5	1,398	26
22	25	**Schlumberger**	658.4	31.2	866	39
23	22	**Minn Mining & Mfg**	655.2	16.4	910	38
24	19	**General Tel & Elec**	645.1	2.9	2,038	17
25	44	**Getty Oil**	604.4	84.4	1,235	29
26	26	**BankAmerica**	600.2	20.5	988	34
27	24	**Procter & Gamble**	577.3	12.8	800	43
28	28	**Tenneco**	570.7	22.5	1,106	32
29	29	**Xerox**	563.1	21.1	1,555	22
30	■	**Occidental Petroleum**	561.6	8,282.8	1,089	33
31	23	**Aetna Life & Cas**	559.5	8.1	3,162	8
32	37	**Union Carbide**	556.2	41.1	1,124	31
33	32	**R J Reynolds Inds**	550.9	24.7	977	35
34	27	**Citicorp**	541.4	15.2	818	42
35	69	**Ashland Oil**	526.3	115.0	654	57
36	72	**International Paper**	525.3	124.3	578	64
37	33	**Weyerhaeuser**	512.2	24.1	845	40
38	34	**Philip Morris**	507.9	24.3	720	51
39	150	**Amerada Hess**	507.1	256.1	842	41
40	45	**Boeing**	505.4	56.5	637	58
41	48	**Alcoa**	504.6	61.4	732	46
42	38	**Union Oil California**	500.6	31.0	1,154	30
43	21	**Caterpillar Tractor**	491.6	–13.2	722	50
44	35	**Pacific Gas & Elec**	458.2	14.1	576	65
45	39	**Coca-Cola**	420.1	12.1	575	66
46	42	**American Home Prod**	396.0	13.7	476	83
47	40	**Travelers**	387.6	4.1	1,812	20
48	64	**Union Pacific**	382.5	44.8	698	52
49	18	**Intl Tel & Tel**	382.4	–41.6	2,974	9
50	52	**Merck**	381.8	24.1	477	82
51	36	**Halliburton**	377.4	–5.0	562	68
52	102	**Intl Harvester**	369.6	98.0	555	71
53	■	**Charter**	367.7	1,479.0	409	109
54	127	**AMAX**	365.3	128.3	471	84
55	43	**K mart**	358.0	4.2	523	73
56	57	**Johnson & Johnson**	352.1	17.7	511	76
57	152	**Engelhard Minerals**	349.7	145.9	395	112
58	214	**Cities Service**	347.5	194.5	795	44
59	82	**American Brands**	347.3	64.2	331	144
60	68	**Teledyne**	346.5	38.9	271	189
61	67	**So Calif Edison**	346.2	37.6	459	89
62	51	**American Express**	345.3	12.1	2,591	13
63	49	**Westinghouse Elec**	331.1	6.4	460	88
64	54	**Monsanto**	331.0	9.4	667	55
65	59	**Eli Lilly**	329.5	18.8	389	113
66	56	**Georgia-Pacific**	327.0	8.3	610	60
67	73	**United Technologies**	325.6	39.1	618	59
68	50	**Consolidated Edison**	323.9	4.6	594	63
69	140	**Kimberly-Clark**	314.4	111.3	358	124
70	63	**Deere**	310.6	17.3	414	108
71	66	**Burroughs**	305.5	20.6	559	69
72	99	**Chase Manhattan**	303.0	55.3	529	72
73	46	**Commonwlth Edison**	296.7	–7.6	522	74
74	98	**Marathon Oil**	295.3	49.8	654	56
75	65	**J P Morgan**	288.1	12.0	370	120
76	53	**Continental Corp**	287.2	–5.3	485	80
77	■	**Mesa Petroleum**	285.6	583.9	465	86
78	58	**RCA**	283.8	1.9	767	45
79	79	**Bethlehem Steel**	275.7	22.5	681	53
80	74	**Duke Power**	274.8	19.1	429	99
81	61	**Connecticut General**	270.1	1.4	1,428	25
82	78	**PepsiCo**	264.9	17.3	446	92
83	111	**Rockwell Intl**	261.1	47.8	436	95
84	80	**Beatrice Foods**	261.0	17.8	409	110
85	71	**American Elec Power**	260.6	10.3	575	67
86	459	**ASARCO**	259.1	423.7	218	250
87	76	**Avon Products**	250.7	10.0	284	174
88	91	**Champion Intl**	247.1	21.3	435	96
89	83	**INA**	244.6	15.7	725	48
90	60	**J C Penney**	244.0	–11.6	372	118
91	108	**Honeywell**	240.0	32.2	502	79
92	187	**Pennzoil**	238.5	86.1	508	77
93	88	**Transamerica**	238.5	16.7	598	61
94	87	**Pfizer**	237.9	15.3	323	147
95	47	**NCR**	234.6	–26.2	348	130
96	120	**SmithKline**	233.8	42.5	257	199
97	75	**Pub Svc Elec & Gas**	233.3	2.0	422	103
98	145	**Kaiser Alum & Chem**	232.2	59.6	251	206
99	116	**General Foods**	232.1	37.0	309	157
100	92	**Bristol-Myers**	231.5	14.0	281	181
101	101	**American Intl Group**	231.4	21.4	284	175
102	81	**U S Fidelity & Gty**	229.0	7.7	966	36
103	89	**Dresser Industries**	228.0	11.8	337	139
104	119	**Santa Fe Industries**	227.7	37.8	416	105
105	109	**Gulf & Western Inds**	227.4	26.0	340	136
106	110	**Sperry**	224.1	26.9	455	90
107	114	**W R Grace**	222.6	30.6	430	98
108	100	**Schering-Plough**	222.3	14.8	257	201
109	95	**Armco**	221.0	11.5	419	104
110	93	**Southern Company**	219.1	8.7	597	62
111	172	**PPG Industries**	218.9	65.7	377	117
112	107	**Mfrs Hanover**	211.6	16.3	345	133
113	94	**Texas Utilities**	211.2	5.2	453	91
114	266	**Reliance Group**	208.4	129.1	283	179
115	84	**Florida Power & Lt**	204.7	–3.1	467	85
116	104	**Consumers Power**	203.8	10.1	218	248
117	124	**Signal Companies**	203.7	26.8	234	229
118	126	**Western Bancorp**	203.3	26.9	360	122
119	97	**Federated Dept Stores**	203.2	2.7	361	121
120	134	**Hewlett-Packard**	203.0	32.7	302	161
121	115	**Emerson Electric**	201.0	18.5	268	192
122	276	**Warner Commun**	200.7	130.5	243	215
123	96	**CBS**	200.7	1.3	278	184
124	■	**Superior Oil**	200.3	548.7	518	75
125	123	**McDonnell Douglas**	199.1	23.6	283	178
126	236	**Norfolk & Western Ry**	198.6	87.5	293	167
127	137	**Raytheon**	197.2	31.4	310	156
128	90	**Va Electric & Power**	196.5	–3.6	331	143
129	118	**Continental Illinois**	195.8	16.7	301	162
130	113	**TRW**	194.6	11.7	313	152
131	105	**Phila Electric**	194.5	5.2	313	151
132	62	**Dayton-Hudson**	192.1	–27.5	243	217
133	147	**Levi Strauss**	191.5	32.1	217	252
134	195	**Continental Group**	189.2	52.1	337	140
135	■	**Litton Industries**	188.9	D–P	315	150
136	122	**McDonald's**	188.6	15.9	311	155
137	106	**Kraft**	188.1	2.2	307	158
138	155	**InterNorth**	185.5	30.9	405	111
139	■	**General Dynamics**	185.2	D–P	383	115
140	125	**United Telecom**	182.9	14.1	508	78

■ Not on 500 list in 1978. D–P Deficit to profit.

THE FORBES PROFITS 500

Rank 1979	Rank 1978	Company	Net Profits ($000,000)	% Change Over 1978	Cash Flow ($000,000)	Cash Flow Rank 1979
141	138	Pa Power & Light	182.2	22.3	184	296
142	103	Middle South Utils	182.1	–1.8	67	494
143	135	Loews	182.0	20.3	727	47
144	161	Texas Eastern	180.6	31.6	425	102
145	178	Missouri Pacific	180.2	38.2	272	186
146	180	F W Woolworth	180.0	38.1	212	259
147	218	Southern Pacific	179.9	54.8	346	132
148	141	Abbott Laboratories	179.0	20.4	232	234
149	■	Newmont Mining	178.8	424.1	239	220
150	142	CPC International	178.7	21.2	268	191
151	153	Digital Equipment	178.4	25.5	247	211
152	175	Diamond Shamrock	178.1	35.9	351	128
153	162	Martin Marietta	178.0	30.9	267	193
154	215	Reynolds Metals	177.1	50.3	247	210
155	143	Detroit Edison	176.0	19.9	322	148
156	224	Burlington Northern	175.6	53.4	271	188
157	165	Boise Cascade	174.9	28.9	291	169
158	158	Texas Instruments	172.9	23.2	360	123
159	241	Hercules	172.5	67.1	289	171
160	136	Northwest Industries	172.2	14.4	296	166
161	190	Dart Industries	171.7	35.6	247	209
162	117	Textron	169.8	1.0	231	235
163	247	Louisiana Land	169.0	68.5	357	125
164	130	American Cyanamid	168.5	8.0	311	154
165	148	Central & South West	167.0	16.3	350	129
166	139	Amer Genl Insurance	165.5	11.1	723	49
167	168	Dana	164.2	22.3	232	233
168	171	Security Pacific	163.6	23.1	429	100
169	181	Bendix	162.6	25.5	218	251
169	146	Kellogg	162.6	12.1	215	254
171	185	Houston Industries	161.8	25.8	324	146
172	85	Fedl Natl Mortgage	161.7	–22.6	159	333
173	154	Long Island Lighting	161.7	13.9	147	353
174	133	Household Finance	161.2	5.2	436	94
175	188	Southern Railway	160.6	26.2	292	168
176	213	Kerr-McGee	160.0	35.4	379	116
177	132	Lincoln National	159.5	3.2	958	37
178	166	Amer Broadcasting	159.3	17.5	197	280
179	191	St Regis Paper	158.5	25.3	259	198
180	156	Niagara Mohawk Pwr	156.0	10.5	225	237
181	169	Borg-Warner	155.6	16.3	202	274
182	194	Motorola	154.3	23.3	265	194
183	208	Eaton	154.1	28.7	261	197
184	159	Columbia Gas Sys	153.3	10.1	441	93
185	149	Carolina Pwr & Lt	153.2	7.4	348	131
186	121	St Paul Companies	153.0	–6.1	462	87
187	184	Revlon	152.7	18.1	186	292
188	■	LTV	152.1	474.3	307	159
189	157	FMC	151.6	7.6	279	183
190	197	Union Camp	151.2	23.2	238	221
191	182	Upjohn	149.5	15.5	195	283
192	170	Ingersoll-Rand	149.3	12.2	220	245
193	189	Crum & Forster	149.3	17.7	478	81
194	200	Panhandle Eastern	148.1	21.8	372	119
195	164	General Mills	147.0	8.2	238	222
196	151	Times Mirror	146.5	2.9	210	261
197	77	Goodyear	146.2	–35.4	427	101
198	231	Anheuser-Busch Cos	144.3	29.9	264	195
199	210	Time Inc	143.9	20.9	213	258
200	144	Safeway Stores	143.3	–1.9	328	145

Rank 1979	Rank 1978	Company	Net Profits ($000,000)	% Change Over 1978	Cash Flow ($000,000)	Cash Flow Rank 1979
201	229	Celanese	141.0	25.9	354	126
202	202	Mead	141.0	16.6	164	322
203	176	Peoples Energy	140.3	7.5	345	135
204	186	MCA	139.0	8.3	209	262
205	173	Houston Natural Gas	138.6	5.5	229	236
206	445	El Paso	138.1	172.2	339	137
207	196	Carnation	138.0	11.6	184	297
208	193	Safeco	137.7	9.7	219	247
209	259	Scott Paper	137.1	46.5	225	238
210	452	Texasgulf	136.9	173.2	205	268
211	174	Delta Air Lines	136.7	4.3	351	127
212	192	Stauffer Chemical	136.0	7.9	285	173
213	260	National Distillers	135.8	45.8	191	289
214	282	Ohio Edison	134.8	56.7	201	275
215	227	Chemical New York	134.7	20.0	245	212
216	289	Gannett	134.1	61.3	188	291
217	163	Borden	134.0	–1.3	257	200
218	242	General Reinsurance	133.9	30.6	331	142
219	228	Crown Zellerbach	133.5	19.1	255	204
220	233	Owens-Illinois	133.5	22.2	296	164
221	204	NLT	133.3	10.9	306	160
222	201	Campbell Soup	132.7	9.3	202	271
223	347	Seaboard Coast Line	132.6	96.0	208	264
224	225	City Investing	132.6	17.9	557	70
225	244	American Standard	132.2	30.4	207	266
226	129	Inland Steel	131.1	–17.2	283	177
227	■	Kennecott Copper	130.4	2,500.8	237	224
228	219	Consol Natural Gas	128.3	10.7	296	163
229	131	Ralston Purina	128.1	–17.2	241	219
230	223	Avco	128.0	11.5	338	138
231	209	American Can	127.3	6.4	250	207
232	226	National Steel	126.5	12.5	28[illegible]	182
233	198	Baltimore Gas & Elec	126.3	3.1	271	187
234	239	Corning Glass Works	124.9	19.7	158	335
235	220	Norton Simon	124.3	7.3	172	315
236	217	Squibb	123.7	5.5	163	324
237	234	United States Gypsum	123.5	13.2	179	304
238	232	Wells Fargo	123.4	12.0	236	225
239	86	Warner-Lambert	123.3	–40.7	252	205
240	397	Greyhound	123.0	110.8	181	302
241	275	Public Service Ind	123.0	40.2	233	230
242	235	Arizona Public Serv	121.6	13.9	157	338
243	253	AMP	121.3	24.1	165	321
244	230	Republic Steel	121.2	9.1	244	213
245	205	Intl Minerals & Chem	120.8	0.6	224	240
246	222	No States Power	120.7	4.7	332	141
247	330	Chessie System	120.5	70.8	255	203
248	278	PACCAR	120.1	38.6	116	401
249	287	Control Data	119.3	42.2	275	185
250	327	Merrill Lynch	118.7	66.5	176	308
251	207	Union Electric	118.1	–1.5	196	282
252	183	Amer Natl Resources	118.0	–8.8	433	97
253	216	H F Ahmanson	117.1	–0.3	674	54
254	325	Crocker National	116.9	62.7	214	256
255	199	Johns-Manville	114.6	–5.8	235	227
256	254	Continental Tel	114.3	17.2	345	134
257	267	May Dept Stores	114.0	26.7	198	279
258	251	Walt Disney	113.8	15.7	162	327
259	295	Bankers Trust N Y	113.7	39.1	173	312
260	112	Colgate-Palmolive	113.5	–35.3	243	216

■ Not on 500 list in 1978

THE FORBES PROFITS 500

Rank 1979	Rank 1978	Company	Net Profits ($000,000)	% Change Over 1978	Cash Flow ($000,000)	Cash Flow Rank 1979
261	250	**Cleveland Elec Illum**	113.5	14.7	162	325
262	237	**Pacific Pwr & Lt**	112.5	6.4	174	310
263	177	**First Chicago**	112.0	−14.1	222	242
264	264	**Baxter Travenol Labs**	111.9	22.1	150	344
265	344	**Cooper Industries**	111.8	63.9	151	343
266	291	**Utd Energy Resources**	111.7	35.6	214	257
267	257	**Sterling Drug**	111.6	17.9	173	314
268	246	**Consolidated Foods**	111.4	10.7	255	202
269	277	**Colt Industries**	111.4	28.0	160	331
270	248	**Whirlpool**	110.9	11.3	142	358
271	320	**Natomas**	110.8	47.1	244	214
272	■	**Phelps Dodge**	110.8	267.9	198	278
273	258	**Gillette**	110.6	17.0	179	303
274	249	**H J Heinz**	110.4	11.4	184	298
275	262	**Amer Hospital Supply**	109.4	18.7	150	349
276	179	**Owens-Corning Fbrgls**	109.3	−16.2	222	241
277	240	**So Natural Resources**	107.4	3.2	235	228
278	261	**Interco**	106.7	15.3	133	374
279	265	**Northwest Bancorp**	106.6	16.4	158	337
280	296	**Louisiana-Pacific**	106.4	30.3	215	255
281	255	**IC Industries**	106.3	9.5	284	176
282	288	**Clark Equipment**	106.1	27.4	140	361
283	245	**Gould**	105.9	4.8	161	328
284	479	**Murphy Oil**	103.6	122.3	415	107
285	270	**Timken**	102.1	15.2	168	318
286	284	**Farmers Group**	101.7	20.1	159	334
287	269	**First Bank System**	101.7	13.5	152	341
288	■	**Freeport Minerals**	101.4	274.2	134	371
289	273	**Melville**	101.2	15.0	150	345
290	252	**Beneficial Corp**	101.1	2.8	386	114
291	388	**Coastal Corp**	100.5	66.3	269	190
292	243	**Nabisco**	99.8	−1.8	146	355
293	310	**Baker International**	99.4	28.8	162	326
294	348	**Hilton Hotels**	99.3	46.9	121	391
295	272	**Jefferson-Pilot**	99.1	12.3	193	285
296	305	**Fluor**	98.7	25.9	221	243
297	298	**Lucky Stores**	98.1	22.0	178	305
298	274	**Jim Walter**	98.0	11.7	85	461
298	302	**Pacific Lighting**	98.0	23.0	186	293
300	300	**First Intl Bshs**	97.9	22.2	134	372
301	263	**Chubb**	97.7	6.6	203	270
302	299	**Combustion Engnrng**	97.6	21.6	181	300
303	315	**Air Prods & Chems**	97.5	28.0	237	223
304	290	**Ethyl**	97.5	17.9	171	317
305	303	**Texas Oil & Gas**	97.3	23.3	219	246
306	294	**Mellon National**	96.4	17.4	134	370
307	160	**General Public Utils**	95.8	−31.0	290	170
308	416	**Rohm & Haas**	95.5	72.7	181	301
309	286	**Winn-Dixie Stores**	94.5	12.4	164	323
310	356	**Black & Decker**	94.4	42.6	128	384
311	438	**ENSERCH**	93.7	81.5	205	267
312	268	**Gt Western Financial**	93.1	3.8	102	429
313	128	**J Ray McDermott**	93.0	−41.6	321	149
314	301	**Esmark**	92.4	15.4	209	263
315	292	**Illinois Power**	91.3	10.9	150	348
316	238	**First Charter Finl**	90.8	−13.8	105	423
317	308	**Lubrizol**	90.8	17.3	113	409
318	314	**Combined Insurance**	90.7	18.7	193	287
319	354	**Gt Northern Nekoosa**	90.3	35.7	161	329
320	271	**Northrop**	90.3	2.1	201	276

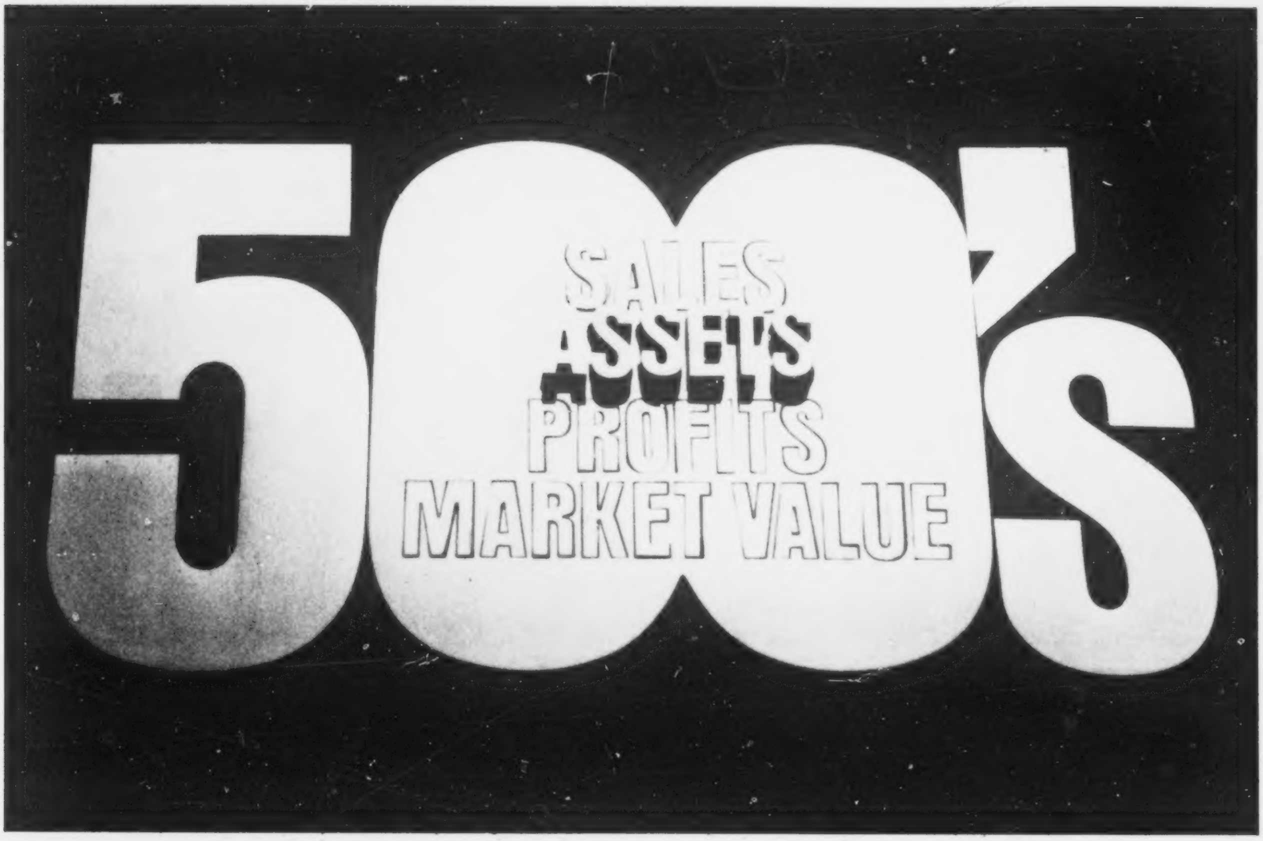
Rank 1979	Rank 1978	Company	Net Profits ($000,000)	% Change Over 1978	Cash Flow ($000,000)	Cash Flow Rank 1979
321	293	**Allied Stores**	90.1	9.5	131	378
322	319	**USLIFE**	89.2	18.1	283	180
323	333	**Dun & Bradstreet**	88.8	26.4	117	400
324	313	**Fruehauf**	88.7	15.7	176	307
325	312	**Knight-Ridder News**	88.4	15.1	122	390
326	324	**G D Searle**	87.9	21.8	137	365
327	167	**American Airlines**	87.4	−34.9	233	231
328	329	**N Y State Elec & Gas**	87.4	23.8	118	394
329	307	**NICOR**	87.4	12.6	200	277
330	317	**Koppers**	86.5	13.8	158	336
331	442	**Resorts Intl**	86.5	69.4	113	408
332	318	**Standard Brands**	86.4	13.9	150	346
333	306	**Cincinnati G & E**	85.7	10.3	124	388
334	285	**Kroger**	85.7	1.3	173	311
335	281	**NL Industries**	85.7	−0.7	193	286
336	311	**Capital Holding**	84.8	10.3	205	269
337	338	**Hughes Tool**	84.6	21.4	133	375
338	322	**Quaker Oats**	84.5	14.8	140	362
339	304	**Potomac Elec Power**	84.4	7.1	185	294
340	374	**First Natl Boston**	84.2	33.9	148	350
341	335	**Gulf States Utils**	84.2	20.0	165	320
342	341	**Walter Kidde**	84.1	22.4	118	395
343	323	**Pillsbury**	83.5	15.1	152	340
344	387	**General Signal**	83.3	37.1	106	418
345	331	**Kemper**	83.2	18.4	415	106
346	358	**Tandy**	83.2	25.8	104	424
347	■	**American Petrofina**	83.2	157.1	131	377
348	321	**Central Tel & Utils**	83.1	12.5	235	226
349	345	**Ohio Casualty**	83.0	21.8	148	352
350	337	**Chesebrough-Pond's**	82.6	18.5	105	422
351	336	**B F Goodrich**	82.6	17.8	191	288
352	326	**Wisconsin Elec Pwr**	82.5	15.3	182	299
353	367	**Texas Commerce Bshs**	82.4	28.0	115	404
354	342	**Marsh & McLennan**	82.2	20.5	87	456
355	363	**Allegheny Power**	81.8	25.1	202	272
356	346	**North Amer Philips**	81.7	20.1	130	380
357	221	**Genl Tire & Rubber**	81.7	−29.3	117	399
358	316	**Allis-Chalmers**	81.4	7.0	103	426
359	283	**Northeast Utilities**	80.8	−5.6	185	295
360	398	**National Gypsum**	80.3	37.8	118	396
361	381	**Norton**	80.2	29.5	117	398
362	■	**Tosco**	79.6	319.2	103	427
363	413	**Belco Petroleum**	79.0	42.1	117	397
364	389	**Texas Gas Transmn**	79.0	30.8	175	309
365	361	**Duquesne Light**	78.4	19.2	137	366
366	359	**Westvaco**	77.9	18.1	148	351
367	498	**Intel**	77.8	75.6	125	386
368	■	**Firestone**	77.7	D–P	296	165
369	■	**St Joe Minerals**	77.6	77.8	195	284
370	■	**Clark Oil & Refining**	77.4	383.2	101	432
371	■	**American Financial**	77.4	132.7	287	172
372	404	**Tektronix**	77.2	35.7	96	440
373	343	**American Natl Ins**	76.9	12.8	224	239
374	372	**McGraw-Hill**	76.9	20.8	98	437
375	377	**No Indiana Pub Svc**	76.9	22.8	151	342
376	362	**MGIC Investment**	76.7	17.0	139	364
377	379	**R H Macy**	76.4	22.9	125	387
378	332	**Burlington Inds**	76.2	8.4	221	244
379	211	**Pan Am World Airways**	76.1	−35.9	248	208
380	349	**Natl Detroit**	75.6	12.1	86	459

■ Not on 500 list in 1978. D–P Deficit to profit.

THE FORBES PROFITS 500

Rank 1979	Rank 1978	Company	Net Profits ($000,000)	% Change Over 1978	Cash Flow ($000,000)	Cash Flow Rank 1979
381	340	Imperial Corp of Am	74.2	7.9	81	468
382	373	Provident Life & Acc	74.0	16.4	216	253
383	297	Florida Power	73.5	–9.8	171	316
384	351	New England Electric	73.5	9.3	153	339
385	392	Masco	73.1	21.4	94	445
386	355	McGraw-Edison	72.7	9.5	99	434
387	328	Utah Power & Light	72.6	2.1	131	379
388	353	Square D	72.6	8.9	90	450
389	383	Northwest Airlines	72.5	17.2	202	273
390	401	Republic of Texas	72.4	25.7	99	435
391	386	MAPCO	72.1	18.6	135	369
392	339	Colonial Penn Group	71.7	3.3	173	313
393	■	Crown Central Petrol	71.7	284.9	104	425
394	■	Allegheny Ludlum Inds	71.5	114.3	110	413
395	376	Olin	71.2	13.4	178	306
396	425	Marriott	71.0	30.8	141	360
396	369	Potlatch	71.0	10.7	120	393
398	382	GATX	71.0	14.6	232	232
399	309	So New England Tel	70.5	–8.9	207	265
400	480	Cabot	70.4	51.2	129	382
401	368	Crown Cork & Seal	70.4	9.4	114	407
402	352	San Diego Gas & Elec	70.2	5.0	74	486
403	371	Carter Hawley Hale	69.7	9.2	141	359
404	■	Williams Companies	69.5	440.6	196	281
405	393	Transco Companies	69.3	16.4	312	153
406	447	First City Bancorp	68.5	35.2	100	433
407	420	Adolph Coors	68.4	25.0	126	385
408	418	Irving Bank	68.3	23.8	80	471
409	■	American Motors	68.1	182.9	142	357
410	409	Heublein	68.1	20.5	98	436
411	395	Willamette Inds	67.9	14.2	105	421
412	402	Southland	67.5	18.2	134	373
413	430	Blue Bell	67.3	25.6	71	489
414	457	Sundstrand	67.1	34.7	106	417
415	■	IU International	67.0	455.7	167	319
416	■	Fuqua Industries	66.6	122.8	107	414
417	385	Armstrong Cork	66.0	8.0	115	403
418	428	Overseas Shipholding	65.9	22.0	106	419
419	380	Consol Freightways	65.9	6.3	114	405
420	414	Houston Oil & Min	65.7	18.1	211	260
421	■	Pioneer	65.6	93.0	136	367
422	456	Gulf United	65.1	30.7	160	330
423	488	Lone Star Industries	64.7	42.7	95	444
424	399	Seafirst	64.4	11.5	96	441
425	440	Vulcan Materials	63.8	24.4	111	411
426	427	Capital Cities Comm	63.8	18.0	78	476
427	487	Pitney Bowes	63.5	39.8	139	363
428	454	Amsted Industries	63.4	27.1	85	463
429	419	R R Donnelley & Sons	63.3	15.3	106	416
430	■	Nalco Chemical	63.3	61.5	83	464
431	467	Lear Siegler	63.3	31.3	90	451
432	411	Hyster	63.1	12.4	76	481
433	436	Harris Corp	63.1	20.9	101	431
434	357	Richardson-Merrell	63.0	–4.9	87	455
435	415	Ryder System	63.0	13.8	263	196
436	421	White Consolidated	62.9	15.4	95	443
437	407	Big Three Industries	62.9	10.8	116	402
438	433	Evans Products	62.4	17.9	74	483
439	434	Becton, Dickinson	61.9	17.2	90	448
440	450	Genuine Parts	61.7	22.8	71	492
441	429	Diamond Intl	61.7	14.4	106	420
442	461	MGM	61.6	24.8	101	430
443	472	Dayton Power & Light	61.5	29.4	79	475
444	410	Intl Flavors & Frag	61.5	9.4	74	484
445	■	Mitchell Enrgy & Dev	61.5	81.8	146	356
446	■	Homestake Mining	61.4	97.8	54	498
447	423	Ideal Basic Inds	60.9	12.0	98	438
448	431	Ark Louisiana Gas	60.8	14.0	129	381
449	■	GK Technologies	60.8	139.7	54	497
450	■	Commonwealth Oil	60.5	D–P	78	477
451	406	Liberty Natl Life	60.5	6.5	188	290
452	464	Petrolane	60.2	23.6	107	415
453	■	Columbus & So Ohio	60.0	50.6	87	454
454	443	Fort Howard Paper	59.8	17.5	86	460
455	378	GEICO	59.5	–4.6	79	473
456	■	Tesoro Petroleum	59.3	90.4	79	474
457	446	Jack Eckerd	59.3	17.1	76	482
458	460	Boston Edison	58.9	19.1	136	368
459	481	CBI Industries	58.7	26.4	94	446
460	422	Toledo Edison	58.6	7.6	83	465
461	■	NVF	58.6	60.6	77	479
462	476	Cameron Iron Works	58.4	23.9	87	453
463	449	Trans Union	58.2	15.2	160	332
464	360	Libbey-Owens-Ford	58.1	–11.7	98	439
465	366	Cummins Engine	57.9	–10.0	90	449
466	493	Foremost-McKesson	57.7	28.8	77	478
467	350	Eastern Air Lines	57.6	–14.3	242	218
468	424	Ogden	57.5	5.9	114	406
469	396	Twentieth Century-Fox	57.3	–1.9	37	499
470	441	Rexnord	57.3	11.9	81	469
471	403	Roadway Express	57.2	0.5	112	410
472	494	Dover	57.1	27.3	71	491
473	437	AmeriTrust	57.0	9.7	81	470
474	390	So Carolina E & G	57.0	–5.5	82	466
475	432	Penn Central	57.0	7.5	146	354
476	417	Champion Spark Plug	56.9	2.8	76	480
477	408	Archer Danls Midland	56.4	–0.3	93	447
478	■	Amfac	56.4	33.0	128	383
479	426	Bucyrus-Erie	56.2	3.5	70	493
480	375	Holiday Inns	55.9	–11.0	218	249
481	400	Public Service Colo	55.8	–3.3	120	392
482	■	Centl Louisiana Engy	55.6	106.1	86	458
483	■	Cincinnati Milacron	55.4	67.1	71	490
484	■	Crane	55.0	55.6	133	376
485	■	Hospital Corp of Am	55.0	30.8	123	389
486	455	Tecumseh Products	54.9	10.2	67	495
487	■	Public Service N M	54.8	46.3	72	488
488	500	Consolidated Papers	54.8	24.9	74	485
489	■	Southland Royalty	54.8	28.7	110	412
490	435	Smith International	54.6	4.7	81	467
491	■	Hanna Mining	54.6	113.7	28	500
492	■	Avnet	54.5	37.6	58	496
493	■	Pittston	54.5	116.0	150	347
494	■	Ex-Cell-O	54.2	37.6	79	472
495	405	Liggett Group	53.9	–5.2	85	462
496	334	Emhart	53.7	–23.5	88	452
497	465	Tucson Electric Pwr	53.5	10.5	72	487
498	■	Hershey Foods	53.5	29.1	86	457
499	473	Delmarva Power & Lt	53.4	12.5	96	442
500	478	ARA Services	52.6	12.4	102	428

■ Not on 500 list in 1978. D–P: Deficit to profit.



THE FORBES ASSETS 500

The smallest of these 500 asset-rich companies showed assets pushing $1.5 billion. Which tells us that while U.S. business may be getting bigger, it isn't becoming more concentrated.

It is appropriate, we suppose, that in times of rapid inflation bank assets should grow faster than those of other enterprises; it is money that fuels inflation and money is the raw material of banking. Look at the Forbes 500 Assets list. Of the ten largest corporations in terms of assets, all but two are financial institutions. Not even the oil companies can compete: Only one, Exxon, makes the top ten.

Major financial companies, their assets swollen by the frantic business borrowing that created the soaring interest rates, continued to dominate the assets list in 1979, with 29 of the top 50 companies. *Their* assets are responsive to inflation to a degree not characteristic of manufacturing plant and equipment, which are generally valued and depreciated on a historical-cost basis.

But the biggest assets gains in percentage terms were to be explained not by industry position but by the drive to tack on assets through acquisition. The growth leader in this year's assets ranking is Alleghany Corp., whose merger with its longtime affiliate mutual fund manager, Investors Diversified Services, lifted its assets 860% and vaulted it from nowhere to 225th place. (Its earnings rose only 70.7%, to $48.3 million, not enough to make the Profits 500.) Oil and gas equipment maker Cooper Industries and conglomerate McGraw-Edison also made the list with acquisition-spurred assets gains of over 100%.

Rank 1979	Rank 1978	Company	Assets ($000,000)	% Change Over 1978
1	1	**American Tel & Tel**	113,769	10.1
2	2	**BankAmerica**	108,389	14.2
3	3	**Citicorp**	106,371	22.0
4	4	**Chase Manhattan**	64,708	5.8
5	5	**Fedl Natl Mortgage**	51,300	17.9

The other side of acquisition is divestiture, which led 14 companies to lose assets. The top loser was INA, off 24.7% by shucking Blyth Eastman. Other shrinkers tended to be ailing financial firms (First Pennsylvania, Fidelcor, Hartford National) or automotive outfits like Chrysler, Firestone and Uniroyal, all undergoing surgery for removal of swollen assets.

If there is a lesson in the assets list, it is this: In spite of mergers and market concentration, U.S. industry remains remarkably decentralized. The smallest company on the 500 list had assets of nearly $1.5 billion. Think of it! Five hundred giant companies! Business power, far from becoming concentrated, is probably as dispersed as at any time in recent history.

THE FORBES ASSETS 500

Rank 1979	Rank 1978	Company	Assets ($000,000)	% Change Over 1978
6	6	Exxon	49,490	19.2
7	7	Mfrs Hanover	47,675	17.4
8	8	J P Morgan	43,488	12.8
9	9	Chemical New York	39,375	20.2
10	10	Continental Illinois	35,790	15.2
11	11	General Motors	32,023	5.3
12	13	Bankers Trust N Y	30,953	19.7
13	15	Aetna Life & Cas	30,228	24.6
14	16	First Chicago	30,182	25.4
15	12	Western Bancorp	29,687	14.4
16	18	Mobil	27,506	21.6
17	14	Sears Roebuck	26,391	8.0
18	17	Intl Tel & Tel	26,178	12.2
19	20	Security Pacific	24,923	15.2
20	21	IBM	24,530	18.1
21	19	Ford Motor	23,510	6.5
22	22	Texaco	22,992	13.5
23	23	Wells Fargo	20,593	10.6
24	24	Travelers	19,160	11.4
25	26	General Tel & Elec	18,406	13.1
26	25	Standard Oil Calif	18,095	8.0
27	27	Gulf Oil	17,265	14.8
28	31	Standard Oil Ind	17,150	21.6
29	29	American Express	17,108	16.6
30	32	Irving Bank	16,702	19.5
31	27	General Electric	16,645	10.7
32	33	Crocker National	16,139	15.9
33	42	Shell Oil	16,127	54.3
34	30	Marine Midland Bks	15,728	10.1
35	34	Connecticut General	14,950	10.8
36	35	Atlantic Richfield	13,833	14.7
37	38	First Natl Boston	13,760	19.1
38	37	Mellon National	13,508	15.6
39	40	Northwest Bancorp	12,416	13.8
40	39	H F Ahmanson	12,137	10.9
41	43	First Bank System	12,118	16.1
42	44	Tenneco	11,631	14.8
43	45	First Intl Bshs	11,504	14.8
44	41	United States Steel	11,030	4.7
45	50	Republic of Texas	10,798	17.0
46	52	Merrill Lynch	10,556	22.1
47	46	Southern Company	10,552	6.9
48	53	Pacific Gas & Elec	10,311	21.3
49	51	Dow Chemical	10,252	16.6
50	55	First Charter Finl	9,549	14.7
51	49	Natl Detroit	9,506	2.0
52	63	First City Bancorp	9,505	25.6
53	54	Gt Western Financial	9,454	11.4
54	64	Conoco	9,311	25.1
55	59	Texas Commerce Bshs	9,260	15.4
56	56	Standard Oil Ohio	9,209	10.6
57	60	Commonwlth Edison	9,173	5.2
58	65	Bank of New York	8,994	23.5
59	36	INA	8,987	–24.7
60	47	First Pennsylvania	8,987	–7.4
61	57	E I du Pont	8,940	10.8
62	62	Loews	8,843	14.2
63	61	Union Carbide	8,803	11.9
64	58	American Elec Power	8,780	8.9
65	69	Phillips Petroleum	8,519	22.8
66	66	Seafirst	8,401	16.6
67	118	Beneficial Corp	8,221	68.2
68	73	Transamerica	7,984	19.1
69	70	Lincoln National	7,771	13.3
70	72	Eastman Kodak	7,547	11.1
71	86	Sun Company	7,461	35.7
72	67	Continental Corp	7,458	6.0
73	71	Consolidated Edison	7,133	4.4
74	75	Harris Bankcorp	7,108	13.9
75	77	So Calif Edison	6,977	15.2
76	79	City Investing	6,865	18.7
77	74	Westinghouse Elec	6,822	8.0
78	76	Control Data	6,785	9.7
79	88	Household Finance	6,729	23.5
80	68	Chrysler	6,653	–4.7
81	82	Xerox	6,554	17.5
82	78	Amer Genl Insurance	6,548	11.7
83	80	Imperial Corp of Am	6,521	13.6
84	85	Middle South Utils	6,503	18.2
85	138	United Technologies	6,426	57.7
86	114	R J Reynolds Inds	6,422	39.1
87	81	Philip Morris	6,379	13.7
88	99	NCNB	6,365	28.8
89	84	Pub Svc Elec & Gas	6,104	10.6
90	108	Getty Oil	6,032	27.8
91	83	Union Oil California	6,013	8.8
92	103	RCA	5,988	22.9
93	91	Va Electric & Power	5,961	14.4
94	87	Philadelphia Natl	5,916	7.8
95	92	Texas Utilities	5,822	12.8
96	209	Engelhard Minerals	5,800	103.3
97	113	American Intl Group	5,727	23.7
98	98	Procter & Gamble	5,664	13.6
99	106	K mart	5,642	16.7
100	97	Duke Power	5,626	12.9
101	100	Consumers Power	5,579	13.0
102	107	Walter E Heller Intl	5,566	16.5
103	126	Pittsburgh National	5,563	27.7
104	116	Occidental Petroleum	5,560	20.7
105	95	Monsanto	5,539	10.1
106	96	Caterpillar Tractor	5,403	7.4
107	94	AmeriTrust	5,402	5.7
108	93	Michigan National	5,399	5.2
109	109	Penn Central	5,392	14.4
110	90	Goodyear	5,371	2.7
111	102	Northern Trust	5,358	9.9
112	111	Avco	5,300	14.4
113	128	Intl Harvester	5,247	21.6
114	104	Phila Electric	5,241	8.1
115	125	Valley Natl Bk Ariz	5,199	17.9
116	101	Bethlehem Steel	5,166	4.7
117	119	Gulf & Western Inds	5,160	14.5
118	112	Detroit Edison	5,146	11.1
119	110	First Wisconsin	5,107	9.4
120	121	Wachovia	5,097	13.2
121	124	Union Pacific	5,087	14.6
122	105	J C Penney	5,077	5.0
123	120	DETROITBANK	5,067	12.5
124	135	Southeast Banking	5,028	22.9
125	127	Southern Pacific	5,025	15.8
126	117	BancOhio	5,005	10.3
127	115	General Public Utils	4,992	8.2
128	140	National City	4,972	25.1
129	122	Weyerhaeuser	4,958	11.1
130	157	Amerada Hess	4,899	42.6
131	149	Boeing	4,897	37.1
132	142	First Boston	4,891	24.6
133	123	Florida Power & Lt	4,848	8.7
134	133	International Paper	4,843	18.2
135	139	Cities Service	4,773	19.2
136	131	Alcoa	4,711	13.1
137	134	Mercantile Texas	4,709	15.0
138	137	Minn Mining & Mfg	4,575	11.9
139	129	Manufacturers Natl	4,526	5.5
140	132	Rainier Bancorp	4,496	8.6
141	136	U S Bancorp	4,431	8.4
142	160	Republic New York	4,408	31.7
143	200	Schlumberger	4,375	48.1
144	130	Girard	4,360	2.6
145	144	Mercantile Bancorp	4,327	11.4
146	146	Marathon Oil	4,321	15.0
147	150	NLT	4,253	19.8
148	145	Burlington Northern	4,228	9.4
149	171	Allied Chemical	4,210	30.4
150	143	Deere	4,179	7.5
151	151	Rockwell Intl	4,128	16.7
152	161	Georgia-Pacific	4,118	23.1
153	153	St Paul Companies	4,101	16.8
154	141	Citizens & Southern	4,060	2.7
155	179	Gibraltar Financial	4,041	27.2
156	156	AMAX	3,937	13.4
157	172	Amer Natl Resources	3,929	21.8
158	158	Halliburton	3,923	15.5
159	154	First Union Bancorp	3,898	11.4
160	166	Golden West Finl	3,889	18.3
161	152	Santa Fe Industries	3,883	10.6
162	164	United Telecom	3,873	17.3
163	147	LTV	3,865	3.9
164	148	UAL	3,862	4.5
165	163	Houston Industries	3,835	15.7
166	162	Pa Power & Light	3,782	13.3
167	177	Coastal Corp	3,776	18.5
168	174	Maryland National	3,732	16.0
169	168	W R Grace	3,729	14.1
170	167	Sperry	3,724	13.3

THE FORBES ASSETS 500

Rank 1979	Rank 1978	Company	Assets ($000,000)	% Change Over 1978
171	175	**U S Fidelity & Gty**	3,680	14.6
172	189	**Central & South West**	3,673	19.1
173	203	**American Brands**	3,671	26.7
174	243	**Beatrice Foods**	3,669	43.3
175	180	**Barnett Banks Fla**	3,663	15.4
176	184	**Carolina Pwr & Lt**	3,648	16.3
177	159	**Columbia Gas Sys**	3,626	6.1
178	191	**Teledyne**	3,620	18.1
179	173	**IC Industries**	3,618	12.2
180	198	**Continental Group**	3,595	20.0
181	193	**El Paso**	3,570	17.6
182	190	**Southwest Bancshs**	3,558	15.7
183	176	**Niagara Mohawk Pwr**	3,529	10.7
184	194	**Crum & Forster**	3,520	16.2
185	195	**Long Island Lighting**	3,460	14.7
186	155	**Firestone**	3,457	–0.9
187	170	**BanCal Tri-State**	3,447	6.1
188	196	**Ohio Edison**	3,446	14.5
189	169	**First Security**	3,426	5.3
190	165	**Chessie System**	3,419	3.8
191	181	**Centran**	3,416	8.3
192	182	**Seaboard Coast Line**	3,402	8.3
193	202	**Burroughs**	3,387	15.8
194	187	**McDonnell Douglas**	3,381	9.1
195	212	**Honeywell**	3,340	18.2
196	349	**E F Hutton Group**	3,316	77.0
197	178	**J Ray McDermott**	3,301	3.7
198	199	**Federated Dept Stores**	3,295	11.5
199	207	**California First Bnk**	3,265	14.2
200	188	**Armco**	3,260	5.3
201	222	**Texas Eastern**	3,237	19.5
202	228	**USLIFE**	3,228	21.5
203	213	**Industrial National**	3,225	14.4
204	183	**United Va Bankshares**	3,216	2.4
205	192	**Northeast Utilities**	3,216	5.6
206	217	**American Airlines**	3,182	15.0
207	185	**Lincoln First Banks**	3,180	1.4
208	215	**Union Electric**	3,169	13.2
209	186	**National Steel**	3,160	1.0
210	204	**Shawmut**	3,142	8.7
211	250	**Pacific Pwr & Lt**	3,129	26.7
212	211	**First Union**	3,121	10.4
213	205	**Ashland Oil**	3,113	7.9
214	206	**First Natl State Bcp**	3,110	8.0
215	210	**Safeway Stores**	3,101	9.3
216	218	**Pfizer**	3,049	11.1
217	208	**Champion Intl**	3,040	6.5
218	281	**Society**	3,019	32.4
219	214	**Peoples Energy**	3,003	7.0
220	197	**First Atlanta**	3,000	–0.4
221	266	**American Financial**	2,999	27.1
222	224	**Kaiser Alum & Chem**	2,975	11.1
223	233	**Continental Tel**	2,945	12.6
224	239	**Coca-Cola**	2,938	13.8
225	■	**Alleghany**	2,938	860.4
226	268	**Texas American Bshs**	2,929	24.8
227	223	**F W Woolworth**	2,927	8.1
228	221	**Reynolds Metals**	2,923	7.9
229	237	**NCR**	2,918	12.4
230	235	**Owens-Illinois**	2,910	12.0
231	255	**PepsiCo**	2,888	19.4
232	229	**Southern Railway**	2,887	8.9
233	269	**Midlantic Banks**	2,880	22.8
234	263	**Johnson & Johnson**	2,874	20.6
235	227	**Warner-Lambert**	2,874	7.7
236	283	**Sun Banks of Florida**	2,872	27.0
237	234	**Trust Co of Georgia**	2,856	9.3
238	226	**Baltimore Gas & Elec**	2,856	6.8
239	282	**Litton Industries**	2,854	25.2
240	254	**Signal Companies**	2,851	17.6
241	220	**BayBanks**	2,849	5.1
242	201	**Fidelcor**	2,837	–3.9
243	246	**American Cyanamid**	2,827	11.9
244	230	**Norfolk & Western Ry**	2,819	6.5
245	260	**Trans World**	2,807	17.6
246	225	**Allegheny Power**	2,801	4.7
247	231	**Jefferson-Pilot**	2,790	6.6
248	244	**American Natl Ins**	2,787	9.2
249	259	**InterNorth**	2,786	16.7
250	232	**Kennecott Copper**	2,785	6.5
251	247	**CBT**	2,764	9.6
252	238	**Republic Steel**	2,750	6.4
253	271	**Transco Companies**	2,745	17.3
254	249	**American Fletcher**	2,730	10.4
255	236	**Inland Steel**	2,725	4.9
256	458	**Superior Oil**	2,721	87.7
257	279	**General Reinsurance**	2,707	17.0
258	273	**First Tennessee Natl**	2,700	15.6
259	272	**Reliance Group**	2,693	15.2
260	253	**Riggs Natl Bank**	2,687	10.8
261	248	**American Can**	2,682	8.2
262	326	**Bache Group**	2,681	31.7
263	276	**Cleveland Elec Illum**	2,679	14.9
264	321	**Pan Am World Airways**	2,677	30.7
265	242	**Paine Webber**	2,672	4.0
266	258	**Alabama Bancorp**	2,671	11.7
267	240	**Equimark**	2,661	3.1
268	257	**Commerce Bancshrs**	2,653	9.9
269	300	**Washington National**	2,650	23.5
270	274	**PPG Industries**	2,649	13.4
271	287	**Panhandle Eastern**	2,646	17.9
272	251	**No States Power**	2,620	6.9
273	277	**TRW**	2,620	12.6
274	284	**Merck**	2,614	16.1
275	289	**State Street Boston**	2,598	17.0
276	219	**Hartford Natl**	2,591	–4.7
277	275	**Consol Natural Gas**	2,579	10.6
278	252	**General Foods**	2,565	5.4
279	288	**Huntington Bshs**	2,553	13.8
280	270	**Donaldson, Lufkin**	2,532	8.2
281	261	**United Jersey Banks**	2,525	5.9
282	292	**Banc One**	2,524	14.9
283	280	**Kraft**	2,523	9.7
284	256	**Virginia Natl Bshs**	2,521	4.4
285	295	**Safeco**	2,507	15.2
286	267	**Dresser Industries**	2,504	6.3
287	278	**First Natl Bancorp**	2,499	7.6
288	286	**Chubb**	2,490	10.9
289	291	**Provident National**	2,488	12.2
290	324	**Arizona Public Serv**	2,475	21.4
291	305	**Banco Popular PR**	2,472	17.4
292	265	**Capital Holding**	2,467	4.5
293	296	**Borden**	2,463	13.7
294	342	**Eastern Air Lines**	2,453	28.5
295	323	**New England Merch**	2,451	20.1
296	317	**Gulf States Utils**	2,439	18.4
297	285	**FMC**	2,435	8.3
298	262	**Colgate-Palmolive**	2,429	1.9
299	318	**Diamond Shamrock**	2,418	17.5
300	307	**Missouri Pacific**	2,411	14.8
301	319	**Pacific Lighting**	2,403	17.1
302	293	**Financial Federation**	2,397	9.3
303	303	**Esmark**	2,390	13.0
304	329	**Norton Simon**	2,389	19.2
305	298	**Celanese**	2,380	10.3
306	302	**United Banks of Colo**	2,370	12.0
307	264	**Eaton**	2,355	–0.2
308	334	**McDonald's**	2,354	20.5
309	371	**Fidelity Financial**	2,345	33.0
310	322	**Public Service Ind**	2,342	14.6
311	294	**Fidelity Union Bncp**	2,342	7.3
312	327	**Kerr-McGee**	2,339	15.7
313	290	**Johns-Manville**	2,324	4.8
314	309	**No Indiana Pub Svc**	2,319	11.2
315	313	**American Security**	2,318	11.6
316	301	**Bank of Virginia**	2,318	9.3
317	325	**Bendix**	2,311	13.4
318	332	**Boise Cascade**	2,309	16.5
319	328	**Nationwide**	2,304	14.5
320	299	**First & Merchants**	2,297	6.6
321	316	**Raytheon**	2,297	11.4
322	297	**Financial General**	2,293	6.1
323	311	**Pennzoil**	2,292	10.0
324	341	**MCA**	2,277	19.1
325	304	**St Regis Paper**	2,261	7.1
326	367	**Allied Bancshares**	2,260	26.9
327	314	**GATX**	2,258	6.8
328	422	**Kemper**	2,242	40.8
329	216	**IU International**	2,229	–20.2
330	310	**Potomac Elec Power**	2,227	6.9
331	315	**Duquesne Light**	2,223	7.4
332	336	**Illinois Power**	2,215	14.2
333	337	**Northwest Industries**	2,197	13.6
334	343	**Ralston Purina**	2,183	15.0
335	369	**CBS**	2,180	22.4

■ Not on 500 list in 1978.

THE FORBES ASSETS 500

Rank 1979	Rank 1978	Company	Assets ($000,000)	% Change Over 1978
336	320	**Eli Lilly**	2,179	6.3
337	333	**Crown Zellerbach**	2,161	10.0
338	351	**Florida Natl Banks**	2,135	14.5
339	306	**Indiana National**	2,130	1.3
340	330	**Ingersoll-Rand**	2,128	6.6
341	344	**Provident Life & Acc**	2,125	12.0
342	308	**Central Bancorp**	2,123	1.1
343	388	**Lockheed**	2,113	24.9
344	365	**May Dept Stores**	2,107	17.8
345	359	**Kimberly-Clark**	2,105	15.3
346	362	**Time Inc**	2,104	16.8
347	353	**American Home Prod**	2,091	12.3
348	393	**Consolidated Foods**	2,089	25.6
349	366	**First Kentucky Natl**	2,089	16.8
350	355	**First Maryland Bncp**	2,088	12.4
351	357	**Combustion Engnrng**	2,083	13.4
352	338	**B F Goodrich**	2,082	7.8
353	331	**Textron**	2,079	4.6
354	465	**Baldwin-United**	2,071	44.7
355	354	**CPC International**	2,068	11.1
356	360	**Jim Walter**	2,049	13.3
357	■	**PennCorp Financial**	2,047	25.8
358	335	**Equitable Bancorp**	2,039	4.8
359	340	**Southwestern Life**	2,016	5.4
360	356	**Dominion Bankshares**	2,013	9.0
361	348	**Marshall & Ilsley**	2,013	6.9
362	312	**Williams Companies**	2,012	–3.3
363	372	**Public Service Colo**	2,011	15.2
364	347	**United Bank Corp NY**	2,007	6.3
365	370	**General Dynamics**	2,005	12.7
366	339	**Phelps Dodge**	2,000	4.4
367	352	**Tenn Valley Bancorp**	1,999	7.3
368	382	**Bancorp Hawaii**	1,986	16.0
369	378	**Cincinnati G & E**	1,981	15.2
370	376	**United States Trust**	1,971	13.9
371	409	**ASARCO**	1,970	21.4
372	405	**Tiger International**	1,965	20.3
373	345	**Key Banks**	1,957	3.3
374	386	**Utah Power & Light**	1,955	14.9
375	346	**Burlington Inds**	1,954	3.5
376	361	**Liberty Natl Life**	1,947	7.9
377	459	**Gulf United**	1,931	33.2
378	426	**Arizona Bank**	1,927	22.3
379	398	**Anheuser-Busch Cos**	1,926	16.9
380	■	**McGraw-Edison**	1,924	185.8
381	387	**Bristol-Myers**	1,922	13.3
382	383	**First Natl Charter**	1,919	12.5
383	374	**Florida Power**	1,914	10.1
384	358	**New England Electric**	1,912	4.2
385	448	**Texas Instruments**	1,908	27.7
386	363	**Dart Industries**	1,907	6.4
387	394	**Motorola**	1,903	14.9
388	454	**Hewlett-Packard**	1,900	30.0
389	364	**Indust Valley Bank**	1,893	5.7
390	379	**ENSERCH**	1,881	9.6
391	390	**Boatmen's Bancshs**	1,879	11.9
392	445	**Murphy Oil**	1,877	23.8
393	392	**Stauffer Chemical**	1,876	12.5
394	407	**TRANSOHIO Financial**	1,874	15.3
395	412	**Cullen/Frost Bankers**	1,868	15.6
396	450	**Digital Equipment**	1,863	24.9
397	368	**Southern Bancorp Ala**	1,847	3.7
398	373	**Flagship Banks**	1,847	5.8
399	415	**General Mills**	1,835	13.8
400	402	**Dayton-Hudson**	1,833	11.9
401	406	**First Amtenn**	1,832	12.5
402	428	**Wisconsin Elec Pwr**	1,831	8.5
403	410	**Scott Paper**	1,830	12.8
404	389	**First Alabama Bshs**	1,829	8.1
405	421	**Citizens Fidelity**	1,827	14.7
406	408	**Third National**	1,823	12.3
407	423	**Portland Genl Elec**	1,821	14.7
408	377	**Greyhound**	1,819	5.4
409	384	**First Empire State**	1,818	6.7
410	396	**Borg-Warner**	1,817	10.0
411	411	**First Florida Banks**	1,815	12.1
412	■	**Kaneb Services**	1,813	20.7
413	391	**Atlantic Bancorp**	1,806	7.7
414	496	**Pillsbury**	1,804	40.7
415	385	**Genl Tire & Rubber**	1,797	5.6
416	434	**So Natural Resources**	1,794	16.6
417	420	**Squibb**	1,793	12.5
418	430	**American B & T Pa**	1,793	16.0
419	444	**Trans Union**	1,791	17.6
420	399	**Delta Air Lines**	1,788	8.6
421	414	**Dean Witter Reynolds**	1,788	10.7
422	433	**San Diego Gas & Elec**	1,783	15.7
423	400	**Merchants National**	1,782	8.4
424	395	**Kroger**	1,776	7.4
425	427	**Martin Marietta**	1,774	13.3
426	429	**First Oklahoma Bncp**	1,769	14.0
427	419	**Hercules**	1,761	10.3
428	436	**No Calif Savings**	1,760	14.6
429	397	**Central Bancshares**	1,757	6.5
430	462	**First United Bancorp**	1,757	21.8
431	473	**Dana**	1,756	25.3
432	375	**Western Union**	1,756	1.0
433	452	**United Missouri Bshs**	1,755	19.4
434	424	**Natl Central Financl**	1,754	10.6
435	413	**First National Cinc**	1,753	8.5
436	380	**Central Fidelity Bks**	1,752	2.1
437	418	**N Y State Elec & Gas**	1,738	8.4
438	401	**Old Kent Financial**	1,730	5.5
439	456	**Abbott Laboratories**	1,729	19.0
440	■	**Charter**	1,729	150.6
441	417	**Whitney Holding**	1,729	7.5
442	475	**Fin Co Santa Barbara**	1,727	23.9
443	435	**Marine**	1,716	11.6
444	404	**First American Bank**	1,713	4.8
445	453	**NICOR**	1,710	16.6
446	491	**Emerson Electric**	1,698	30.5
447	461	**First Hawaiian**	1,697	17.2
448	■	**Utd Energy Resources**	1,693	52.8
449	432	**Northwestern Finl**	1,688	9.5
450	350	**Uniroyal**	1,669	–10.8
451	438	**Idaho First Natl Bk**	1,669	8.8
452	403	**National Distillers**	1,665	1.8
453	437	**Central Tel & Utils**	1,664	8.5
454	471	**Houston Natural Gas**	1,663	17.8
455	449	**Sumitomo Bank Cal**	1,662	11.3
456	431	**Boston Edison**	1,659	7.4
457	441	**Oklahoma Gas & Elec**	1,652	8.4
458	466	**Western Financial**	1,652	15.5
459	443	**So Carolina E & G**	1,650	8.4
460	446	**Texasgulf**	1,648	8.9
461	442	**Mead**	1,636	7.4
462	499	**Amer Savings & Loan**	1,632	28.6
463	460	**Equitable of Iowa**	1,628	12.4
464	484	**H J Heinz**	1,624	21.8
465	468	**Continental Bank**	1,620	13.5
466	451	**So New England Tel**	1,617	9.0
467	469	**Gould**	1,613	13.5
468	■	**Schering-Plough**	1,593	33.1
469	463	**Broadview Financial**	1,589	10.4
470	425	**Rapid-American**	1,588	0.2
471	381	**NL Industries**	1,587	–7.5
472	416	**No States Bancorp**	1,584	–1.8
473	490	**Warner Commun**	1,546	18.1
474	493	**Hospital Trust**	1,541	19.1
475	492	**Walter Kidde**	1,541	18.6
476	455	**Intl Minerals & Chem**	1,538	5.2
477	■	**Ryder System**	1,537	34.7
478	477	**Northwest Airlines**	1,529	9.8
479	495	**Gillette**	1,528	18.2
480	486	**Deposit Guaranty**	1,519	14.8
481	447	**Allis-Chalmers**	1,511	0.4
482	480	**Zions Utah Bancorp**	1,504	10.5
483	■	**Owens-Corning Fbrgls**	1,502	24.1
484	■	**Cooper Industries**	1,500	173.0
485	472	**Fruehauf**	1,500	6.8
486	489	**Equitable Sav & Loan**	1,494	14.1
487	440	**Union Commerce**	1,492	–2.2
488	488	**Peoples Natl Bank**	1,488	12.8
489	467	**Allied Stores**	1,487	4.1
490	481	**Carnation**	1,484	9.9
491	464	**Singer**	1,482	3.3
492	474	**Carter Hawley Hale**	1,481	6.1
493	498	**Dayton Power & Light**	1,481	16.6
494	485	**South Carolina Natl**	1,480	11.1
495	■	**Revlon**	1,471	18.3
496	■	**Toledo Edison**	1,468	16.8
497	476	**Olin**	1,461	4.9
498	478	**First Virginia Banks**	1,458	7.1
499	479	**Columbus & So Ohio**	1,449	6.5
500	500	**Liberty National**	1,442	13.8

■ Not on 500 list in 1978.

500's

SALES
ASSETS
PROFITS
MARKET VALUE

THE FORBES MARKET VALUE 500

As 1979 began, some of the stock market sages said the old growth stocks would come back; in fact, just the opposite happened. But the oils made up the losses—and then some.

THE STOCK MARKET LAST YEAR seemed to be giving the lie to the old complaint that stock prices have not been keeping up with inflation. The total market value of the top 500 U.S. public companies grew by 15.9%, to $788 billion, and the number of over-20% gainers leaped to 245, *vs.* 98 the year before. Even so an investor would still have had no trouble losing his shirt.

Suppose, for example, you had picked such old favorites as IBM, AT&T, General Motors, Eastman Kodak, Procter & Gamble and 3M—all solid, well-run companies in the top 20 on the list. Last year you'd have lost handsomely on every one; several were down by 15% to 20%. The eight nonoil companies in 1979's top 20 lost a net $14.6 billion in market value; only one (General Electric, up 7.3%) showed any gain.

Who was up? The oil (and oil service) companies, of course, which took 12 of the top 20 places last year, *vs.* only 8 the year before. Their gains more than made up for the huge market value losses of IBM (down $6 billion) and AT&T (down $4 billion). In fact, the most interesting use of the list is to find nonoil companies sporting significant gains.

One group consists of minerals (or minerals-related) companies like Engelhard Minerals (up 137%), Freeport Minerals (up 207%), Texasgulf (up 99%) or AMAX (up 51%). Less spectacular but solid performances were the rule among drug companies, such as SmithKline (up 38.5%), Squibb (up 37.8%) and Searle (up 42.6%). There were interesting big gainers among the lesser computer companies like Wang Laboratories (up 127%) and Intel (up 112.5%), whose sharp increases in the face of IBM's loss suggest that investors are more impressed by the prospects of the challengers than of the champ.

But all that is picking and choosing among the gainers. Eastman Kodak, Procter & Gamble, 3M, Coca-Cola and Ford all showed market value declines of from $1 billion to $2 billion, representing percentage losses approaching or exceeding 20%. Did we hear someone say that this is not a stock market but a market of stocks?

Rank 1979	Rank 1978	Company	Market Value ($000,000)	% Change Over 1978
1	1	**IBM**	37,569	-13.7
2	2	**American Tel & Tel**	36,559	-9.8
3	3	**Exxon**	24,190	11.0
4	4	**General Motors**	14,468	-5.7
5	8	**Schlumberger**	11,916	48.4

THE FORBES MARKET VALUE 500

Rank 1979	Rank 1978	Company	Market Value ($000,000)	% Change Over 1978
6	7	Standard Oil Ind	11,768	42.0
7	11	Mobil	11,673	58.7
8	5	General Electric	11,534	7.3
9	19	Standard Oil Ohio	10,827	112.3
10	9	Standard Oil Calif	9,625	20.4
11	15	Atlantic Richfield	9,262	45.8
12	23	Shell Oil	8,375	71.9
13	13	Texaco	7,838	20.9
14	6	Eastman Kodak	7,767	–17.9
15	22	Phillips Petroleum	7,413	51.8
16	24	Gulf Oil	6,754	48.2
17	12	Procter & Gamble	6,140	–16.4
18	34	Getty Oil	6,059	95.4
19	10	Minn Mining & Mfg	5,894	–20.3
20	16	E I du Pont	5,843	–3.5
21	25	Dow Chemical	5,820	29.2
22	14	Sears Roebuck	5,716	–10.3
23	18	Merck	5,439	6.4
24	29	Xerox	5,227	21.9
25	38	Conoco	5,088	68.4
26	31	Halliburton	4,999	28.9
27	26	Johnson & Johnson	4,851	9.9
28	20	Caterpillar Tractor	4,667	–8.0
29	28	Philip Morris	4,484	2.4
30	33	Eli Lilly	4,356	24.8
31	27	American Home Prod	4,265	–3.1
32	17	Coca-Cola	4,263	–21.4
33	30	General Tel & Elec	4,169	3.5
34	55	Sun Company	4,160	87.6
35	41	Tenneco	4,082	38.3
36	32	BankAmerica	4,056	7.9
37	35	Weyerhaeuser	3,982	30.4
38	47	Union Oil California	3,877	55.1
39	21	Ford Motor	3,846	–23.6
40	43	SmithKline	3,827	38.5
41	46	Hewlett-Packard	3,500	34.0
42	49	Union Pacific	3,451	40.8
43	44	R J Reynolds Inds	3,443	25.1
44	36	Boeing	3,249	6.6
45	39	Burroughs	3,229	8.0
46	105	Superior Oil	3,206	143.2
47	79	Marathon Oil	3,029	82.9
48	37	Intl Tel & Tel	2,952	–2.5
49	42	Citicorp	2,942	2.1
50	45	K mart	2,917	6.2
51	53	Pfizer	2,870	23.5
52	58	Digital Equipment	2,817	30.7
53	56	Union Carbide	2,781	25.7
54	60	Aetna Life & Cas	2,681	28.4
55	54	Pacific Gas & Elec	2,613	16.4
56	48	Georgia-Pacific	2,601	4.4
57	64	Abbott Laboratories	2,480	22.3
58	80	AMAX	2,439	51.1
59	52	Bristol-Myers	2,423	3.9
60	59	Deere	2,380	13.4
61	40	Avon Products	2,368	–19.8
62	89	Cities Service	2,316	55.3
63	50	PepsiCo	2,262	–5.1
64	68	American Intl Group	2,241	18.4
65	142	Pennzoil	2,229	120.6
66	51	American Elec Power	2,169	–7.2
67	163	Engelhard Minerals	2,150	136.6
68	76	Monsanto	2,148	26.6
69	61	American Express	2,126	2.4
70	62	Emerson Electric	2,108	2.2
71	94	Raytheon	2,103	45.0
72	97	Dresser Industries	2,022	41.3
73	71	Texas Instruments	2,009	10.3
74	57	Beatrice Foods	1,975	–9.4
75	127	Occidental Petroleum	1,962	76.4
76	77	Alcoa	1,930	15.3
77	90	Honeywell	1,851	24.2
78	86	Sperry	1,825	15.9
79	134	W R Grace	1,823	70.3
80	63	J C Penney	1,817	–11.2
81	84	NCR	1,815	14.7
82	83	United Technologies	1,811	13.5
83	104	American Brands	1,805	35.1
84	115	Teledyne	1,804	46.8
85	182	Amerada Hess	1,798	111.9
86	73	J P Morgan	1,788	2.0
87	74	International Paper	1,786	2.7
88	65	Commonwlth Edison	1,758	–12.6
89	190	Louisiana Land	1,757	115.1
90	114	Rockwell Intl	1,756	42.7
91	158	Baker International	1,755	87.9
92	113	Kerr-McGee	1,753	42.0
93	70	McDonald's	1,744	–6.9
94	109	Squibb	1,722	37.8
95	98	Westinghouse Elec	1,711	20.0
96	67	Southern Company	1,711	–10.0
97	82	General Foods	1,680	4.8
98	206	Diamond Shamrock	1,676	115.1
99	180	Texas Eastern	1,674	96.6
100	130	Gannett	1,664	51.9
101	66	RCA	1,656	–15.2
102	102	Baxter Travenol Labs	1,627	17.5
103	117	American Cyanamid	1,626	34.0
104	93	Travelers	1,614	11.3
105	85	Schering-Plough	1,611	2.0
106	185	General Dynamics	1,609	91.7
107	111	Motorola	1,593	28.5
108	69	Warner-Lambert	1,592	–15.7
109	81	So Calif Edison	1,590	–1.3
110	88	Texas Utilities	1,562	2.6
111	176	Houston Natural Gas	1,553	81.3
112	232	Litton Industries	1,548	121.9
113	72	United States Steel	1,518	–16.5
114	96	Consolidated Edison	1,517	5.5
115	215	Levi Strauss	1,503	97.1
116	78	Revlon	1,503	–10.2
117	211	Signal Companies	1,496	95.3
118	189	Santa Fe Industries	1,486	81.4
119	99	CBS	1,458	3.6
120	108	Walt Disney	1,450	12.0
121	128	AMP	1,449	30.8
122	100	Kellogg	1,443	2.7
123	120	CPC International	1,437	22.7
124	95	Connecticut General	1,426	–1.1
125	197	Allied Chemical	1,415	75.7
126	92	Upjohn	1,407	–3.1
127	260	Intel	1,397	112.5
128	106	Continental Corp	1,396	6.5
129	377	Freeport Minerals	1,375	206.7
130	101	Duke Power	1,371	–1.9
131	112	McDonnell Douglas	1,369	10.6
132	126	United Telecom	1,336	19.8
133	110	Kraft	1,334	6.8
134	87	Federated Dept Stores	1,334	–13.5
135	282	Southland Royalty	1,333	121.4
136	107	Pub Svc Elec & Gas	1,327	2.2
137	240	Texas Oil & Gas	1,323	90.7
138	204	InterNorth	1,301	66.3
139	148	MCA	1,279	32.2
140	133	Champion Intl	1,273	18.8
141	91	General Mills	1,258	–15.0
142	153	INA	1,254	31.3
143	325	Fluor	1,243	135.5
144	143	Times Mirror	1,239	22.9
145	187	Columbia Gas Sys	1,238	49.1
146	156	Chase Manhattan	1,238	31.5
147	125	Ashland Oil	1,218	7.2
148	147	Dun & Bradstreet	1,216	25.1
149	157	Sterling Drug	1,205	28.2
150	131	Intl Harvester	1,204	10.4
151	116	Ralston Purina	1,187	–3.2
152	145	Amer Hospital Supply	1,184	21.0
153	103	Colgate-Palmolive	1,177	–13.5
154	169	Western Bancorp	1,157	30.5
155	293	Texasgulf	1,156	99.3
156	210	Martin Marietta	1,156	50.8
157	123	Middle South Utils	1,142	0.0
158	119	Phila Electric	1,140	–3.9
159	255	NL Industries	1,139	70.7
160	141	Continental Illinois	1,137	11.1
161	140	TRW	1,136	10.5
162	224	Panhandle Eastern	1,124	55.6
163	165	Peoples Energy	1,124	26.1
164	129	Transamerica	1,111	1.0
165	203	Crown Zellerbach	1,106	41.0
166	399	ASARCO	1,105	160.9
167	171	Armco	1,096	24.9
168	161	Lubrizol	1,096	19.7
169	183	Tektronix	1,093	28.8
170	150	Amer Broadcasting	1,093	13.7

THE FORBES MARKET VALUE 500

Rank 1979	Rank 1978	Company	Market Value ($000,000)	% Change Over 1978
171	269	**So Natural Resources**	1,090	70.5
172	177	**Amer Natl Resources**	1,085	26.9
173	369	**Archer Danls Midland**	1,074	132.9
174	184	**U S Fidelity & Gty**	1,070	27.3
175	244	**El Paso**	1,065	54.3
176	151	**Time Inc**	1,062	10.7
177	149	**General Reinsurance**	1,057	9.7
178	306	**Murphy Oil**	1,056	91.7
179	181	**Houston Industries**	1,047	23.0
180	258	**Kennecott Copper**	1,045	58.6
181	202	**Northwest Industries**	1,043	30.8
182	254	**Air Prods & Chems**	1,042	56.0
183	271	**Intl Minerals & Chem**	1,041	65.1
184	138	**Mfrs Hanover**	1,035	–1.7
185	137	**Florida Power & Lt**	1,020	–3.1
186	121	**Union Camp**	1,020	–12.0
187	132	**Anheuser-Busch Cos**	1,018	–5.0
188	144	**Central & South West**	1,014	0.7
189	362	**Transco Companies**	1,007	111.3
190	192	**Dayton-Hudson**	1,005	23.6
191	312	**Hughes Tool**	998	83.1
192	318	**Newmont Mining**	996	85.5
193	235	**G D Searle**	994	42.6
194	268	**Warner Commun**	993	55.2
195	136	**Consumers Power**	990	–6.2
196	155	**Corning Glass Works**	990	4.7
197	124	**Campbell Soup**	989	–13.1
198	179	**Stauffer Chemical**	987	16.0
199	160	**Ingersoll-Rand**	986	7.2
200	178	**Marsh & McLennan**	980	15.0
201	118	**Va Electric & Power**	975	–18.3
202	164	**St Regis Paper**	974	8.2
203	326	**Combustion Engnrng**	968	83.6
204	233	**Black & Decker**	966	38.6
205	330	**Mesa Petroleum**	964	85.1
206	263	**Pittston**	961	47.5
207	152	**Kimberly-Clark**	954	–0.3
208	162	**Fedl Natl Mortgage**	946	3.8
209	170	**Continental Group**	943	7.4
210	212	**PPG Industries**	942	23.1
211	280	**General American Oil**	941	54.5
212	159	**Dart Industries**	937	1.2
213	286	**Amer Genl Insurance**	933	56.7
214	146	**Carnation**	933	–4.3
215	194	**Bendix**	927	14.6
216	122	**Goodyear**	923	–20.0
217	175	**Bethlehem Steel**	922	7.6
218	166	**Detroit Edison**	921	3.5
219	75	**Polaroid**	920	–45.9
220	139	**Safeway Stores**	917	–12.7
221	193	**Farmers Group**	916	13.1
222	349	**Bally Manufacturing**	915	84.8
223	295	**Control Data**	911	57.5
224	249	**Southern Pacific**	909	33.7
225	311	**Cooper Industries**	909	66.6
226	167	**H J Heinz**	907	2.1
227	200	**Lincoln National**	905	12.5
228	223	**Boise Cascade**	901	24.7
229	361	**National Distillers**	900	87.9
230	272	**General Signal**	896	42.4
231	168	**Long Island Lighting**	881	–0.7
232	238	**Hercules**	874	26.0
233	195	**Textron**	872	7.7
234	416	**Williams Companies**	870	113.9
235	198	**Owens-Corning Fbrgls**	869	7.9
236	331	**Hospital Corp of Am**	866	66.8
237	338	**ENSERCH**	865	70.8
238	225	**Harris Corp**	863	19.5
239	172	**Niagara Mohawk Pwr**	858	–1.5
240	234	**St Paul Companies**	854	22.6
241	248	**Norfolk & Western Ry**	850	24.6
242	252	**Big Three Industries**	850	27.2
243	226	**Knight-Ridder News**	840	16.9
244	154	**Dana**	840	–11.3
245	201	**Household Finance**	839	4.6
246	207	**FMC**	836	7.5
247	251	**Continental Tel**	831	24.4
248	239	**Southern Railway**	828	19.3
249	320	**Perkin-Elmer**	827	54.5
250	313	**Hilton Hotels**	824	51.2
251	250	**Gulf & Western Inds**	815	20.5
252	196	**NLT**	814	1.1
253	450	**Wang Laboratories**	811	127.0
254	247	**J Ray McDermott**	808	18.2
255	423	**Utd Energy Resources**	800	103.1
256	220	**Consol Natural Gas**	798	8.3
257	208	**Ohio Edison**	797	2.9
258	334	**St Joe Minerals**	797	56.5
259	209	**Missouri Pacific**	796	3.8
260	205	**Gillette**	796	2.1
261	229	**Kaiser Alum & Chem**	792	12.9
262	173	**Carolina Pwr & Lt**	792	–9.0
263	261	**First Intl Bshs**	785	19.7
264	188	**Delta Air Lines**	782	–5.8
265	199	**Norton Simon**	779	–3.1
266	246	**Security Pacific**	778	12.8
267	218	**Pa Power & Light**	772	2.6
268	245	**Consolidated Foods**	772	11.9
269	236	**Lucky Stores**	768	10.5
270	463	**Coastal Corp**	766	123.7
271	346	**Crum & Forster**	758	52.4
272	316	**American Standard**	753	39.7
273	262	**Standard Brands**	748	14.5
274	291	**Borg-Warner**	747	27.1
275	300	**F W Woolworth**	746	32.2
276	214	**Borden**	744	–2.4
277	289	**Santa Fe Intl**	737	24.9
278	186	**Winn-Dixie Stores**	735	–12.0
279	363	**Loews**	725	52.4
280	308	**Safeco**	724	31.8
281	340	**Koppers**	721	42.8
282	174	**Intl Flavors & Frag**	719	–17.0
283	436	**Petrolane**	711	90.4
284	386	**Burlington Northern**	710	61.2
285	322	**Scott Paper**	710	32.8
286	222	**Chesebrough-Pond's**	710	–2.3
287	375	**Smith International**	708	57.6
288	237	**Union Electric**	706	1.6
289	191	**Nabisco**	704	–13.6
290	■	**Charter**	703	685.8
291	434	**Cameron Iron Works**	703	87.5
292	265	**Pillsbury**	701	8.2
293	216	**Baltimore Gas & Elec**	701	–7.3
294	284	**McGraw-Hill**	700	17.2
295	301	**Merrill Lynch**	700	24.7
296	456	**Natomas**	699	101.2
297	257	**Tandy**	699	5.3
298	256	**Public Service Ind**	696	4.9
299	323	**May Dept Stores**	695	31.6
300	380	**CBI Industries**	693	55.3
301	274	**MGM**	691	11.0
302	314	**MAPCO**	689	26.8
303	241	**American Can**	689	–0.6
304	259	**Melville**	688	4.5
305	324	**Nalco Chemical**	686	29.9
306	228	**No States Power**	686	–2.7
307	219	**Pacific Pwr & Lt**	684	–7.4
308	296	**Celanese**	683	18.3
309	287	**Becton, Dickinson**	679	14.2
310	243	**Whirlpool**	679	–1.9
311	281	**Cleveland Elec Illum**	671	10.4
312	283	**Eaton**	669	11.5
313	379	**Houston Oil & Min**	664	48.7
314	213	**UAL**	660	–13.6
315	477	**Noble Affiliates**	660	102.3
316	315	**Southland**	659	22.0
317	266	**Northwest Bancorp**	659	2.0
318	253	**Arizona Public Serv**	659	–1.4
319	242	**Jefferson-Pilot**	658	–4.9
320	221	**Inland Steel**	656	–10.2
321	273	**Jack Eckerd**	654	4.9
322	230	**Genuine Parts**	651	–7.0
323	227	**Gould**	650	–9.3
324	290	**Mead**	643	9.2
325	328	**Louisiana-Pacific**	642	22.2
326	■	**Southwestern Life**	640	129.9
327	392	**Phelps Dodge**	640	47.2
328	332	**Texas Commerce Bshs**	636	22.9
329	319	**Capital Cities Comm**	635	18.6
330	285	**Heublein**	634	6.2
331	354	**Greyhound**	632	30.8
332	420	**Ark Louisiana Gas**	631	57.6
333	356	**Esmark**	629	30.3
334	297	**Central Tel & Utils**	627	9.3
335	337	**Masco**	626	23.5

■ Not on 500 list in 1978

THE FORBES MARKET VALUE 500

Rank 1979	Rank 1978	Company	Market Value ($000,000)	% Change Over 1978
336	348	**Dow Jones**	625	26.1
337	414	**Rohm & Haas**	621	52.2
338	■	**Pioneer**	618	174.5
339	317	**Allegheny Power**	617	14.9
340	412	**MGIC Investment**	617	51.2
341	459	**Sundstrand**	616	78.0
342	277	**Reynolds Metals**	616	0.5
343	217	**First Chicago**	614	–18.4
344	278	**Wells Fargo**	613	0.2
345	327	**Chessie System**	611	15.9
346	333	**Fort Howard Paper**	611	18.0
347	292	**Northeast Utilities**	608	3.5
348	■	**SEDCO**	599	95.3
349	400	**NICOR**	599	41.8
350	276	**Northwest Airlines**	598	–3.0
351	279	**Utah Power & Light**	596	–2.2
352	■	**Mitchell Enrgy & Dev**	595	171.6
353	307	**First Bank System**	593	7.6
354	388	**Alexander & Alexandr**	589	34.5
355	343	**Beneficial Corp**	589	16.8
356	342	**Northrop**	585	15.9
357	466	**Homestake Mining**	584	71.7
358	302	**Richardson-Merrell**	578	3.2
359	351	**Holiday Inns**	577	17.7
360	335	**Owens-Illinois**	576	13.3
361	411	**Beckman Instruments**	572	40.0
362	345	**Pacific Lumber**	572	14.4
363	310	**Timken**	571	4.5
364	439	**Dover**	567	52.3
365	■	**Humana**	567	154.2
366	442	**R H Macy**	567	53.2
367	382	**Marriott**	566	27.1
368	294	**Illinois Power**	564	–2.7
369	371	**Quaker Oats**	563	23.6
370	454	**Texas Gas Transmn**	563	60.2
371	367	**Colt Industries**	561	19.9
372	275	**Capital Holding**	560	–9.6
373	360	**Square D**	555	15.8
374	329	**Interco**	554	6.0
375	417	**Ethyl**	552	36.9
376	288	**Data General**	552	–6.5
377	■	**Pogo Producing**	551	93.4
378	■	**Howard Johnson**	549	152.5
379	304	**Chemical New York**	546	–2.0
380	336	**Pacific Lighting**	546	7.5
381	341	**Mellon National**	544	7.8
382	401	**Norton**	542	28.5
383	350	**Johns-Manville**	538	9.1
384	460	**Penn Central**	535	55.5
385	448	**Snap-On Tools**	532	48.4
386	387	**First Charter Finl**	532	21.5
387	385	**Auto Data Processing**	532	20.7
388	■	**Medtronic**	531	118.0
389	135	**General Public Utils**	528	–50.5
390	■	**Helmerich & Payne**	528	93.5
391	370	**W W Grainger**	527	15.3
392	462	**Wal-Mart Stores**	525	53.2
393	353	**Kroger**	525	8.0
394	495	**Waste Management**	521	66.2
395	339	**Roadway Express**	521	2.9
396	359	**Combined Insurance**	518	7.9
397	395	**Westvaco**	517	19.5
398	357	**Gt Northern Nekoosa**	517	7.6
399	344	**R R Donnelley & Sons**	516	2.6
400	409	**USLIFE**	515	25.4
401	231	**Firestone**	512	–26.8
402	■	**Stanley Works**	507	82.7
403	393	**United States Gypsum**	505	16.3
404	303	**National Steel**	504	–9.6
405	437	**First City Bancorp**	503	34.9
406	397	**Brown-Forman Dist**	500	16.9
407	347	**Clark Equipment**	498	0.5
408	■	**Kaneb Services**	498	144.2
409	403	**Jim Walter**	496	18.7
410	422	**Gt Western Financial**	494	24.1
411	299	**Genl Tire & Rubber**	493	–12.9
412	■	**Gulf United**	491	71.1
413	384	**Allied Stores**	490	10.9
414	458	**American Natl Ins**	485	40.0
415	■	**Parker Drilling**	485	86.0
416	406	**H F Ahmanson**	485	16.7
417	366	**Duquesne Light**	484	3.4
418	410	**Republic of Texas**	484	18.4
419	355	**No Indiana Pub Svc**	483	0.1
420	■	**Reliance Group**	481	68.8
421	433	**Diamond Intl**	481	27.7
422	305	**Potomac Elec Power**	479	–13.5
423	487	**Cabot**	478	50.5
424	378	**New England Electric**	475	6.2
425	364	**Burlington Inds**	474	–0.1
426	418	**Chubb**	472	17.1
427	■	**Belco Petroleum**	470	59.2
428	374	**Gulf States Utils**	470	4.4
429	■	**Centl Louisiana Engy**	469	147.6
430	■	**Caesars World**	467	52.6
431	383	**Provident Life & Acc**	463	4.4
432	■	**Energy Reserves Gp**	462	198.9
433	■	**Natl Semiconductor**	462	65.3
434	389	**Adolph Coors**	460	5.0
435	■	**Tosco**	460	323.8
436	■	**ERC**	459	179.9
437	405	**PACCAR**	458	9.9
438	■	**Raychem**	457	66.9
439	483	**Eastern Gas & Fuel**	456	42.7
440	376	**Potlatch**	455	1.4
441	321	**Cincinnati G & E**	453	–15.4
442	309	**Chrysler**	450	–18.0
443	■	**Foster Wheeler**	449	93.7
444	■	**Bausch & Lomb**	448	97.6
445	■	**Overseas Shipholding**	447	87.5
446	■	**General Instrument**	446	168.6
447	■	**GATX**	444	54.4
448	425	**Morton-Norwich**	444	14.4
449	485	**Pitney Bowes**	443	39.1
450	473	**Cessna Aircraft**	438	33.3
451	■	**NVF**	438	309.5
452	[illegible]	**Avco**	438	48.2
453	[illegible]	**Carter Hawley Hale**	438	16.0
454	372	**Crown Cork & Seal**	437	–3.8
455	358	**Wisconsin Elec Pwr**	437	–9.1
456	452	**Bankers Trust N Y**	433	22.3
457	438	**Cox Broadcasting**	433	16.2
458	■	**Super Valu Stores**	433	53.5
459	■	**Rowan Companies**	433	113.0
460	352	**Public Service Colo**	432	–11.8
461	■	**City Investing**	432	40.9
462	■	**Cincinnati Milacron**	432	76.0
463	390	**Olin**	431	–1.2
464	424	**Seaboard Coast Line**	431	10.7
465	449	**Trans Union**	430	20.2
466	455	**Allis-Chalmers**	429	23.0
467	365	**Pan Am World Airways**	427	–9.2
468	413	**McGraw-Edison**	427	4.6
469	446	**Storage Technology**	427	17.4
470	■	**Datapoint**	427	53.6
471	481	**Pioneer Hi-Bred Intl**	426	33.0
472	398	**So New England Tel**	425	–0.6
473	440	**Seafirst**	422	13.9
474	426	**Pullman**	421	8.5
475	407	**Willamette Inds**	419	0.8
476	497	**Ohio Casualty**	414	33.3
477	428	**Amsted Industries**	413	8.2
478	381	**Florida Power**	412	–7.5
479	394	**N Y State Elec & Gas**	412	–5.0
480	298	**Petrie Stores**	411	–27.3
481	■	**Supron Energy**	410	139.2
482	415	**San Diego Gas & Elec**	409	0.6
483	■	**American Petrofina**	409	51.8
484	480	**Johnson Controls**	409	26.8
485	391	**Portland Genl Elec**	409	–6.2
486	408	**Armstrong Cork**	408	–1.7
487	486	**Bucyrus-Erie**	408	28.2
488	484	**Parker-Hannifin**	408	27.9
489	451	**ARA Services**	407	14.5
490	■	**Blue Bell**	407	56.7
491	478	**Cleveland-Cliffs**	406	25.2
492	461	**Deluxe Check Printers**	406	18.1
493	■	**Lockheed**	406	79.5
494	373	**Oklahoma Gas & Elec**	405	–10.2
495	■	**Tom Brown**	402	128.2
496	447	**Joy Manufacturing**	399	10.7
497	■	**Ex-Cell-O**	398	44.0
498	■	**A E Staley Mfg**	398	108.8
499	435	**Ryder System**	397	6.3
500	443	**Republic Steel**	394	7.1

■ Not on 500 list in 1978.

THE DIMENSIONS OF AMERICAN BUSINESS:

WHERE THEY RANK: 1979								
Assets	Sales	Market Value	Net Profits	Company (fiscal year end)	Assets ($000)	Sales ($000)	Market Value of Common ($000)	Net Profits ($000)
439	309	57	148	**Abbott Laboratories (Dec)**	1,729,296	1,683,168	2,479,632	178,981
■	463	■	■	**ACF Industries (Dec)**	1,016,796	982,896	303,421	47,841
13	23	54	31	**Aetna Life & Casualty (Dec)**	30,228,463	11,446,880	2,680,682	559,507
40	396	416	253	**H F Ahmanson (Dec)**	12,137,253	1,211,220	485,072	117,137
■	390	182	303	**Air Products & Chemicals (Sept)**	1,419,759	1,229,894	1,041,605	97,540
■	454	■	■	**Akzona (Dec)**	818,125	1,012,398	152,813	25,647
266	■	■	■	**Alabama Bancorporation (Dec)**	2,671,424	233,228	148,230	25,071
■	188	■	■	**Albertson's (Jan)**	572,789	2,673,848	281,980	38,323
■	275	■	■	**Alco Standard (Sept)**	692,986	1,917,128	293,314	50,358
■	■	354	■	**Alexander & Alexander Services (Dec)**	629,619	368,239	589,107	51,553
225	■	■	■	**Alleghany (Dec)**	2,937,647	802,671	250,749	48,322
■	327	■	394	**Allegheny Ludlum Industries (Dec)**	1,140,165	1,550,010	200,038	71,527
246	449	339	355	**Allegheny Power System (Dec)**	2,801,242	1,024,859	617,350	81,831
326	■	■	■	**Allied Bancshares (Dec)**	2,260,306	196,261	231,978	28,414
149	97	125	■	**Allied Chemical (Dec)**	4,209,628	4,332,391	1,415,193	10,827
489	239	413	321	**Allied Stores (Jan)**	1,486,611	2,239,749	489,915	90,135
481	268	466	358	**Allis-Chalmers (Dec)**	1,510,799	1,972,703	429,489	81,369
136	83	76	41	**Aluminum Company of America (Dec)**	4,711,251	4,785,583	1,929,954	504,569
156	169	58	54	**AMAX (Dec)**	3,936,630	2,865,390	2,438,565	365,280
130	54	85	39	**Amerada Hess (Dec)**	4,899,237	6,769,941	1,798,241	507,116
206	148	■	327	**American Airlines (Dec)**	3,182,495	3,252,532	290,547	87,445
418	■	■	■	**American Bank & Trust Pa (Dec)**	1,793,142	164,014	108,159	17,622
173	120	83	59	**American Brands (Dec)**	3,670,578	3,772,181	1,805,407	347,331
■	258	170	178	**American Broadcasting Companies (Dec)**	1,274,325	2,029,463	1,092,838	159,310
261	91	303	231	**American Can (Dec)**	2,682,400	4,515,000	688,560	127,300
243	154	103	164	**American Cyanamid (Dec)**	2,826,762	3,186,998	1,625,744	168,495
64	172	66	85	**American Electric Power (Dec)**	8,780,368	2,813,691	2,168,970	260,635
29	86	69	62	**American Express (Dec)**	17,108,200	4,666,500	2,126,204	345,300
221	497	■	371	**American Financial (Dec)**	2,998,572	912,633	133,032	77,379
254	■	■	■	**American Fletcher (Dec)**	2,730,404	253,539	80,570	19,154
82	278	213	166	**American General Insurance (Dec)**	6,548,192	1,886,052	933,022	165,474
347	137	31	46	**American Home Products (Dec)**	2,090,674	3,401,301	4,264,571	396,039
■	257	152	275	**American Hospital Supply (Dec)**	1,275,742	2,039,380	1,183,991	109,442
97	228	64	101	**American International Group (Dec)**	5,727,499	2,327,542	2,240,949	231,398
■	159	■	409	**American Motors (Sept)**	1,123,487	3,117,049	219,196	68,144
248	■	414	373	**[1]American National Insurance (Dec)**	2,786,915	625,889	485,305	76,945
157	202	172	252	**American Natural Resources (Dec)**	3,928,972	2,505,622	1,084,666	117,956
■	319	483	347	**American Petrofina (Dec)**	1,080,058	1,587,229	408,918	83,187
462	■	■	■	**American Savings & Loan Assn of Fla (Sept)**	1,632,455	141,261	64,459	14,229
315	■	■	■	**American Security (Dec)**	2,318,248	209,230	101,444	21,483
■	214	272	225	**American Standard (Dec)**	1,422,763	2,431,557	752,867	132,155
■	119	■	■	**[2]American Stores (Jan)**	1,207,914	3,786,332	259,967	44,434
1	3	2	1	**American Telephone & Telegraph (Dec)**	113,768,836	45,408,078	36,558,755	5,674,248
107	■	■	473	**[3]AmeriTrust (Dec)**	5,402,092	490,613	299,260	57,034
■	349	■	■	**AMF (Dec)**	939,380	1,438,352	297,984	52,596
■	307	■	478	**Amfac (Dec)**	1,071,958	1,689,496	327,522	56,370
■	452	121	243	**AMP (Dec)**	824,027	1,013,241	1,448,759	121,286

■ Not on 500 list.

[1] Formerly American National Financial.
[2] Formerly Skaggs Companies.
[3] Formerly CleveTrust.

A ROSTER OF THE U.S.'s BIGGEST CORPORATIONS

Cash Flow ($000)	SHARE DATA: 1979 Shares Outstanding (000)	Where Traded	Ticker Symbol	Earnings Before Extraordinary Items	Dividends	Market Price (Dec. 31)	Corporate Headquarters	Number of Employees (000)	Chief Executive
232,096	60,295	NYSE	ABT	2.97	0.96	41⅛	North Chicago, Ill	27.8	**Robert A Schoellhorn**
107,792	8,859	NYSE	ACF	5.44	2.21	34¼	New York, NY	14.2	**John F Burditt**
3,161,904	80,622	NYSE	AET	6.93	1.72	33¼	Hartford, Conn	37.5	**John H Filer**
674,388	22,962	NYSE	AHM	5.11	1.15	21⅛	Los Angeles, Cal	4.3	**William H Ahmanson**
237,265	28,343	NYSE	APD	3.45	0.65	36¾	Allentown, Pa	14.6	**Edward Donley**
71,545	12,225	NYSE	AXO	2.10	0.80	12½	Asheville, NC	16.1	**Claude S Ramsey**
38,143	7,320	OTC	ABNC	3.43	1.26	20¼	Birmingham, Ala	3.4	**John W Woods**
68,231	14,792	NYSE	ABS	2.49	0.57	19⅛	Boise, Ida	25.3	**Warren E McCain**
66,763	9,095	NYSE	ASN	5.05	1.47	32¼	Valley Forge, Pa	17.1	**Ray B Mundt**
59,878	17,988	OTC	AALS	2.87	1.40	32¾	New York, NY	7.2	**John A Bogardus Jr**
253,772	9,287	NYSE	Y	4.74	1.05	27	New York, NY	9.1	**Fred M Kirby**
110,297	7,081	NYSE	AG	7.30	1.31	28¼	Pittsburgh, Pa	40.0	**Robert J Buckley**
201,592	39,829	NYSE	AYP	2.24	1.76	15½	New York, NY	5.7	**Charles B Finch**
38,600	7,172	OTC	ALBN	3.97	0.67	32⅜	Houston, Tex	1.6	**Gerald H Smith**
386,293	28,808	NYSE	ACD	0.20	2.00	49⅛	Morristown, NJ	49.0	**Edward L Hennessey Jr**
130,779	20,520	NYSE	ALS	4.41	1.50	23⅞	New York, NY	54.0	**Thomas M Macioce**
102,965	12,404	NYSE	AH	6.23	1.75	34⅝	West Allis, Wisc	29.3	**David C Scott**
732,218	35,170	NYSE	AA	14.29	2.60	54⅞	Pittsburgh, Pa	46.8	**W H Krome George**
471,290	53,448	NYSE	AMX	6.49	1.72	45⅝	Greenwich, Conn	17.4	**Pierre Gousseland**
842,298	36,887	NYSE	AHC	12.15	1.29	48⅝	New York, NY	7.9	**Leon Hess**
233,061	28,696	NYSE	AMR	2.63	0.40	10⅛	New York, NY	41.0	**Albert V Casey**
20,771	6,897	OTC	APEN	2.55	0.89	15⅜	Reading, Pa	1.7	**Samuel A McCullough**
330,611	26,599	NYSE	AMB	12.00	4.63	67⅞	New York, NY	54.7	**Robert K Heimann**
196,635	27,843	NYSE	ABC	5.67	1.30	39⅝	New York, NY	12.4	**Leonard H Goldenson**
249,600	19,328	NYSE	AC	6.44	2.80	35⅝	Greenwich, Conn	55.5	**William F May**
311,301	47,816	NYSE	ACY	3.52	1.60	34	Wayne, NJ	44.2	**Dr james G Affleck**
574,814	121,341	NYSE	AEP	2.29	2.19	17⅞	New York, NY	22.6	**Willis S White Jr**
2,590,900	71,170	NYSE	AXP	4.83	1.75	29⅞	New York, NY	40.7	**James D Robinson III**
287,005	5,784	OTC	AFIN	7.93	0.04	23	Cincinnati, Ohio	5.7	**Carl H Lindner**
25,480	4,604	OTC	AFLT	4.16	1.22	17½	Indianapolis, Ind	2.5	**Frank E McKinney Jr**
723,139	25,475	NYSE	AGC	6.60	1.00	36⅝	Houston, Tex	9.3	**Harold S Hook**
476,031	156,498	NYSE	AHP	2.51	1.50	27¾	New York, NY	50.3	**William F Laporte**
149,548	37,587	NYSE	AHS	2.78	0.77	31½	Evanston, Ill	30.7	**Karl D Bays**
283,899	37,663	OTC	AIGR	6.17	0.40	59½	New York, NY	19.4	**Maurice R Greenberg**
142,185	31,883	NYSE	AMO	2.24	0.08	6⅞	Southfield, Mich	28.4	**Gerald C. Meyers**
224,067	30,813	OTC	ANAT	2.50	0.17	13¾	Galveston, Tex	10.6	**Orson C Clay**
432,705	23,078	NYSE	ANR	5.13	3.15	47	Detroit, Mich	16.5	**Arthur R Seder Jr**
130,802	10,761	ASE	API A	7.77	2.35	38	Dallas, Tex	2.8	**Richard I Galland**
90,082	2,421	NYSE	AAA	5.76	0.59	26⅝	Miami Beach, Fla	0.7	**Morris N Broad**
34,592	3,623	OTC	ASEC	5.90	2.15	28	Washington, DC	1.3	**W Jarvis Moody**
206,998	13,751	NYSE	AST	9.52	3.05	53¾	New York, NY	50.8	**William A Marquard**
83,503	9,764	NYSE	ASC	4.36	0.80	25⅝	Salt Lake City, Utah	63.7	**Lennie S Skaggs**
13,902,968	701,367	NYSE	T	8.04	4.90	52⅛	New York, NY	1,029.9	**Charles L Brown**
80,640	9,208	OTC	AMTR	6.20	2.35	32½	Cleveland, Ohio	4.5	**M Brock Weir**
101,974	20,375	NYSE	AMF	2.59	1.24	14⅝	White Plains, NY	29.1	**W Thomas York**
127,746	12,844	NYSE	AMA	4.21	1.20	25½	Honolulu, Haw	22.6	**Henry A Walker Jr**
164,968	35,994	NYSE	AMP	3.36	0.76	40¼	Harrisburg, Pa	18.6	**Joseph D Brenner**

All share data adjusted for stock splits and stock dividends through May 12, 1980.

BEST AVAILABLE COPY

THE DIMENSIONS OF AMERICAN BUSINESS:

WHERE THEY RANK: 1979								
Assets	Sales	Market Value	Net Profits	Company (fiscal year end)	Assets ($000)	Sales ($000)	Market Value of Common ($000)	Net Profits ($000)
■	439	■	■	**Amstar (June)**	542,998	1,056,376	175,428	22,376
■	■	477	428	**Amsted Industries (Sept)**	421,656	855,725	412,603	63,400
■	339	■	■	**Anderson, Clayton (June)**	738,177	1,489,925	297,044	48,815
379	175	187	198	**Anheuser-Busch Companies (Dec)**	1,925,962	2,775,936	1,018,395	144,260
■	265	489	500	**ARA Services (Sept)**	865,109	2,002,389	407,226	52,628
■	231	173	477	**Archer Daniels Midland (June)**	1,032,523	2,297,838	1,073,586	56,415
378	■	■	■	**Arizona Bank (Dec)**	1,927,399	171,548	109,737	13,623
290	■	318	242	**Arizona Public Service (Dec)**	2,475,332	664,423	658,622	121,578
■	■	332	448	**Arkansas Louisiana Gas (Dec)**	1,072,981	735,302	631,467	60,838
200	78	167	109	**Armco (Dec)**	3,260,163	5,035,127	1,095,800	221,040
■	368	486	417	**Armstrong Cork (Dec)**	876,312	1,341,067	408,326	66,044
371	302	166	86	**ASARCO (Dec)**	1,969,654	1,724,219	1,104,543	259,076
213	58	147	35	**Ashland Oil (Sept)**	3,113,214	6,473,867	1,217,914	526,253
■	293	■	■	**Associated Dry Goods (Jan)**	978,704	1,783,212	283,962	43,923
413	■	■	■	**Atlantic Bancorp (Dec)**	1,805,927	162,988	69,536	14,046
36	15	11	13	**Atlantic Richfield (Dec)**	13,833,387	16,233,959	9,261,760	1,165,894
■	■	387	■	**Automatic Data Processing (June)**	271,255	371,064	532,210	33,228
112	272	452	230	**Avco (Nov)**	5,300,401	1,932,155	437,867	127,955
■	447	■	492	**Avnet (June)**	539,487	1,028,133	387,795	54,452
■	221	61	87	**Avon Products (Dec)**	1,405,986	2,377,506	2,368,328	250,697
262	■	■	■	**Bache Group (July)**	2,681,474	430,291	89,150	13,269
■	405	91	293	**Baker International (Sept)**	1,122,984	1,168,811	1,755,121	99,429
354	■	■	■	**Baldwin-United (Dec)**	2,070,941	602,873	270,915	51,325
■	■	222	■	**Bally Manufacturing (Dec)**	602,021	376,798	914,616	46,337
238	451	293	233	**Baltimore Gas & Electric (Dec)**	2,855,984	1,014,408	701,186	126,316
282	■	■	■	**[4]Banc One (Dec)**	2,523,720	238,101	173,250	29,839
187	■	■	■	**BanCal Tri-State (Dec)**	3,447,420	320,476	127,861	18,977
291	■	■	■	**Banco Popular de Puerto Rico (Dec)**	2,471,994	223,360	66,000	18,175
126	■	■	■	**BancOhio (Dec)**	5,005,030	436,896	158,909	29,737
368	■	■	■	**[5]Bancorp Hawaii (Dec)**	1,986,445	185,903	120,351	20,620
58	■	■	■	**Bank of New York (Dec)**	8,994,425	790,530	226,774	43,560
316	■	■	■	**Bank of Virginia (Dec)**	2,318,215	246,007	72,095	13,974
2	31	36	26	**BankAmerica (Dec)**	108,389,318	9,449,773	4,055,847	600,203
12	180	456	259	**Bankers Trust New York (Dec)**	30,952,922	2,727,158	433,320	113,738
175	■	■	■	**Barnett Banks of Florida (Dec)**	3,663,344	333,312	163,721	31,271
■	■	444	■	**Bausch & Lomb (Dec)**	344,728	503,031	447,778	41,228
■	403	102	264	**Baxter Travenol Laboratories (Dec)**	1,290,928	1,191,193	1,626,828	111,908
241	■	■	■	**BayBanks (Dec)**	2,848,584	254,053	96,171	22,432
174	47	74	84	**Beatrice Foods (Feb)**	3,669,095	7,468,373	1,974,888	261,010
■	■	361	■	**Beckman Instruments (June)**	418,196	426,709	572,159	29,328
■	■	309	439	**Becton, Dickinson (Sept)**	728,875	809,808	679,320	61,879
■	■	427	363	**Belco Petroleum (Dec)**	788,601	641,058	470,459	79,036
317	114	215	169	**Bendix (Sept)**	2,311,000	3,856,400	927,226	162,600
67	229	355	290	**††Beneficial Corp (Dec)**	8,221,300	2,314,200	588,519	101,100
116	50	217	79	**Bethlehem Steel (Dec)**	5,165,900	7,137,200	922,402	275,700
■	■	242	437	**Big Three Industries (Dec)**	700,052	509,449	849,648	62,859
■	399	204	310	**Black & Decker Manufacturing (Sept)**	910,465	1,205,068	966,299	94,432

■ Not on 500 list.
††Figures include unconsolidated subsidiaries

[4] Formerly First Banc Group.
[5] Formerly Hawaii Bancorp.

A ROSTER OF THE U.S.'s BIGGEST CORPORATIONS

	SHARE DATA: 1979								
Cash Flow ($000)	Shares Outstanding (000)	Where Traded	Ticker Symbol	Earnings Before Extraordinary Items	Dividends	Market Price (Dec. 31)	Corporate Headquarters	Number of Employees (000)	Chief Executive
44,268	8,939	NYSE	ASR	2.38	1.35	19⅝	New York, NY	8.3	**Robert T Quittmeyer**
84,573	10,787	NYSE	AD	5.88	1.98	38¼	Chicago, Ill	12.3	**Goff Smith**
55,745	13,129	NYSE	AYL	3.54	1.06	22⅝	Houston, Tex	17.9	**Thomas J Barlow**
264,299	45,262	OTC	ABUD	3.19	0.90	22½	St Louis, Mo	17.5	**August A Busch III**
102,214	12,156	NYSE	ARA	5.23	1.73	33½	Philadelphia, Pa	112.0	**William S Fishman**
93,325	34,772	NYSE	ADM	1.63	0.19	30⅞	Decatur, Ill	5.3	**Dwayne O Andreas**
21,120	6,013	OTC	ABKP	2.27	0.72	18¼	Phoenix, Ariz	2.1	**Donald B Tostenrud**
157,440	38,181	NYSE	AZP	2.90	1.94	17¼	Phoenix, Ariz	5.3	**Keith L Turley**
128,941	25,133	NYSE	ALG	2.42	1.14	25⅛	Shreveport, La	4.6	**Edward Sheffield Nelson**
418,588	43,832	NYSE	AS	4.82	1.43	25	Middletown, Ohio	54.8	**Harry Holiday Jr**
115,474	24,747	NYSE	ACK	2.58	1.08	16½	Lancaster, Pa	23.8	**Harry A Jensen**
217,784	29,553	NYSE	AR	8.56	1.30	37⅜	New York, NY	12.7	**Charles F Barber**
653,563	30,353	NYSE	ASH	15.55	1.95	40⅛	Russell, Ky	29.2	**Orin E Atkins**
83,127	13,522	NYSE	DG	3.25	1.50	21	New York, NY	50.0	**William P Arnold**
24,539	5,248	OTC	ABAN	2.68	0.78	13¼	Jacksonville, Fla	2.8	**Billy J Walker**
2,510,873	115,772	NYSE	ARC	9.48	2.80	80	Los Angeles, Cal	51.8	**Robert O Anderson**
63,341	15,206	NYSE	AUD	2.21	0.58	35	Clifton, NJ	11.0	**Frank R Lautenberg**
338,079	15,779	NYSE	AV	8.25	1.15	27¾	Greenwich, Conn	27.1	**James R Kerr**
58,404	15,060	NYSE	AVT	3.50	0.78	25¾	New York, NY	12.4	**Simon Sheib**
284,287	60,148	NYSE	AVP	4.17	2.75	39⅜	New York, NY	34.3	**David W Mitchell**
16,896	8,293	NYSE	BAC	1.70	0.60	10¾	New York, NY	7.1	**Harry A Jacobs Jr**
162,069	32,806	NYSE	BKO	3.25	0.56	53½	Orange, Cal	19.0	**Earnest H Clark Jr**
93,908	8,919	NYSE	BDW	5.23	1.20	30⅜	Cincinnati, Ohio	8.3	**Lucien Wulsin**
76,909	25,406	NYSE	BLY	1.73	0.09	36	Chicago, Ill	9.6	**Robert Mullane**
271,161	31,692	NYSE	BGE	3.40	2.36	22⅛	Baltimore, Md	8.5	**Bernard C Trueschler**
43,757	6,930	OTC	BONE	4.31	1.49	25	Columbus, Ohio	3.0	**John G McCoy**
30,437	4,409	NYSE	BNC	4.21	0.87	29	San Francisco, Cal	3.2	**Chauncey E Schmidt**
34,901	3,000	OTC	BPOP	6.06	1.26	22	San Juan, PR	3.4	**Rafael Carrión Jr**
48,743	8,046	OTC	BOHI	3.70	1.34	19¾	Columbus, Ohio	6.0	**Robert G Stevens**
33,062	7,294	OTC	BNHI	2.83	0.88	16½	Honolulu, Haw	2.5	**Wilson P Cannon**
79,153	6,388	NYSE	BK	7.05	2.51	35½	New York, NY	5.8	**Elliott Averett**
29,873	5,196	NYSE	BKV	2.93	1.07	13⅞	Richmond, Va	3.7	**Frederick Deane Jr**
988,168	146,818	NYSE	BAM	4.10	1.27	27⅝	San Francisco, Cal	81.0	**Alden W Clausen**
172,994	10,833	NYSE	BT	9.30	3.08	40	New York, NY	12.7	**Alfred Brittain III**
49,986	8,505	NYSE	BBF	3.67	0.89	19¼	Jacksonville, Fla	6.0	**Charles E Rice**
50,407	11,745	NYSE	BOL	3.49	0.90	38⅛	Rochester, NY	11.4	**Daniel G Schuman**
150,355	34,249	NYSE	BAX	3.29	0.50	47½	Deerfield, Ill	33.0	**William B Graham**
36,480	3,029	OTC	BBNK	7.41	2.40	31⅝	Boston, Mass	4.0	**William M Crozier Jr**
408,934	96,336	NYSE	BRY	2.60	none	20½	Chicago, Ill	85.0	**James L Dutt**
44,140	19,561	NYSE	BEC	1.66	0.29	29¼	Fullerton, Cal	12.4	**Arnold O Beckman**
90,480	19,980	NYSE	BDX	3.01	0.86	34	Paramus, NJ	20.6	**Wesley J Howe**
117,348	11,545	NYSE	BPC	6.81	0.85	40¾	New York, NY	1.9	**Arthur B Belfer**
217,500	22,754	NYSE	BX	7.10	2.63	40¾	Southfield, Mich	73.7	**William M Agee**
386,100	22,104	NYSE	BNL	4.24	1.95	26⅝	Wilmington, Del	26.4	**Finn M W Caspersen**
681,000	43,664	NYSE	BS	6.31	1.50	21⅛	Bethlehem, Pa	97.7	**Donald H Trautlein**
115,723	20,110	NYSE	BIG	3.13	0.82	42¼	Houston, Tex	4.8	**Harry K Smith**
127,719	42,013	NYSE	BDK	2.25	0.68	23	Towson, Md	21.0	**Francis P Lucier**

All share data adjusted for stock splits and stock dividends through May 12, 1980.

THE DIMENSIONS OF AMERICAN BUSINESS:

WHERE THEY RANK: 1979								
Assets	Sales	Market Value	Net Profits	Company (fiscal year end)	Assets ($000)	Sales ($000)	Market Value of Common ($000)	Net Profits ($000)
■	445	490	413	**Blue Bell (Sept)**	679,158	1,029,453	407,095	67,283
391	■	■	■	**Boatmen's Bancshares (Dec)**	1,879,245	143,179	61,000	13,019
131	39	44	40	**Boeing (Dec)**	4,897,200	8,131,000	3,249,383	505,400
318	167	228	157	**Boise Cascade (Dec)**	2,309,057	2,916,610	901,143	174,920
293	98	276	217	**Borden (Dec)**	2,462,760	4,312,533	743,945	134,015
410	182	274	181	**Borg-Warner (Dec)**	1,816,700	2,717,400	746,702	155,600
■	498	■	■	**Borman's (Jan)**	142,471	905,376	14,950	467
456	■	■	458	**Boston Edison (Dec)**	1,659,268	698,002	299,772	58,859
■	365	■	■	**Braniff International (Dec)**	1,134,721	1,346,275	170,162	–44,330
381	178	59	100	**Bristol-Myers (Dec)**	1,922,015	2,752,777	2,422,501	231,545
469	■	■	■	**Broadview Financial (Dec)**	1,588,700	137,780	28,244	9,758
■	■	406	■	**Brown-Forman Distillers (Apr)**	457,610	337,032	500,294	40,095
■	413	■	■	**Brown Group (Oct)**	503,996	1,144,922	186,354	41,752
■	386	■	■	**Brunswick (Dec)**	989,046	1,257,333	268,811	51,425
■	■	487	479	**Bucyrus-Erie (Dec)**	640,881	552,435	408,240	56,155
375	187	425	378	**Burlington Industries (Sept)**	1,954,452	2,676,314	473,631	76,221
148	149	284	156	**Burlington Northern (Dec)**	4,228,484	3,250,495	710,150	175,621
193	174	45	71	**Burroughs (Dec)**	3,386,661	2,785,492	3,228,501	305,536
■	419	423	400	**Cabot (Sept)**	942,973	1,122,391	477,905	70,445
■	■	430	■	**Caesars World (July)**	407,738	223,215	467,092	8,447
199	■	■	■	**California First Bank (Dec)**	3,265,189	310,658	100,011	20,152
■	■	291	462	**Cameron Iron Works (June)**	627,862	545,968	703,232	58,412
■	236	197	222	**Campbell Soup (July)**	1,325,823	2,248,692	989,160	132,744
■	456	■	■	**Campbell Taggart (Dec)**	423,168	1,007,360	284,181	32,879
■	■	329	426	**Capital Cities Communications (Dec)**	473,134	414,890	634,945	63,758
292	■	372	336	**Capital Holding (Dec)**	2,466,682	516,375	559,853	84,820
490	171	214	207	**Carnation (Dec)**	1,483,566	2,825,508	932,975	138,000
176	491	262	185	**Carolina Power & Light (Dec)**	3,647,913	925,910	791,507	153,244
492	218	453	403	**Carter Hawley Hale Stores (Jan)**	1,481,249	2,408,028	437,711	69,720
■	317	■	■	**Castle & Cooke (Dec)**	1,173,924	1,593,386	354,648	31,049
106	45	28	43	**Caterpillar Tractor (Dec)**	5,403,354	7,613,153	4,667,436	491,611
■	■	300	459	**[6]CBI Industries (Dec)**	691,155	640,795	692,822	58,714
335	127	119	123	**CBS (Dec)**	2,179,529	3,670,390	1,458,382	200,707
251	■	■	■	**CBT (Dec)**	2,763,815	265,099	76,954	17,256
305	155	308	201	**Celanese (Dec)**	2,380,000	3,146,000	683,148	141,000
172	355	188	165	**Central & South West (Dec)**	3,673,477	1,408,608	1,013,765	166,980
342	■	■	■	**Central Bancorporation (Dec)**	2,122,847	192,960	127,361	20,803
429	■	■	■	**Central Bancshares of the South (Dec)**	1,757,454	170,831	84,449	17,438
436	■	■	■	**[7]Central Fidelity Banks (Dec)**	1,751,927	171,771	68,013	14,604
■	■	429	482	**Central Louisiana Energy (Dec)**	770,066	710,628	469,480	55,566
■	209	■	■	**Central Soya (Aug)**	557,583	2,448,074	201,992	33,599
453	■	334	348	**Central Telephone & Utilities (Dec)**	1,664,282	750,505	626,661	83,053
191	■	■	■	**Centran (Dec)**	3,416,046	276,663	100,343	22,746
■	495	■	■	**Certain-teed (Dec)**	720,326	916,204	198,432	22,248
■	482	450	■	**Cessna Aircraft (Sept)**	563,228	939,311	438,487	45,955
217	122	140	88	**Champion International (Dec)**	3,040,485	3,750,960	1,272,538	247,120
■	■	■	476	**Champion Spark Plug (Dec)**	610,799	806,546	387,393	56,858

■ Not on 500 list.

[6] Formerly Chicago Bridge & Iron.
[7] Formerly Commonwealth Banks.

A ROSTER OF THE U.S.'s BIGGEST CORPORATIONS

	SHARE DATA: 1979								
Cash Flow ($000)	Shares Outstanding (000)	Where Traded	Ticker Symbol	Earnings Before Extraordinary Items	Dividends	Market Price (Dec. 31)	Corporate Headquarters	Number of Employees (000)	Chief Executive
71,086	12,526	NYSE	BBL	5.36	1.60	32½	Greensboro, NC	30.0	**L Kimsey Mann**
19,875	2,440	OTC	BOAT	5.36	2.00	25	St Louis, Mo	1.7	**Donald N Brandin**
637,000	96,278	NYSE	BA	5.25	1.40	33¾	Seattle, Wash	110.6	**Thornton A Wilson**
290,912	26,602	NYSE	BCC	6.52	1.44	33⅞	Boise, Ida	35.7	**John B Fery**
256,747	31,160	NYSE	BN	4.31	1.80	23⅞	New York, NY	39.3	**Eugene J Sullivan**
201,500	20,814	NYSE	BOR	7.25	2.08	35⅞	Chicago, Ill	56.1	**James F Beré**
7,480	2,917	NYSE	BRF	0.16	0.20	5⅛	Detroit, Mich	8.4	**Paul Borman**
135,691	13,626	NYSE	BSE	3.52	2.44	22	Boston, Mass	3.9	**Thomas J Galligan Jr**
−2,414	20,019	NYSE	BNF	−2.21	0.40	8½	Dallas, Tex	15.7	**Harding L Lawrence**
281,312	65,473	NYSE	BMY	3.50	1.39	37	New York, NY	34.0	**Richard L Gelb**
72,548	2,973	OTC	BDVF	3.28	0.44	9½	Cleveland, Ohio	0.7	**John E Rupert**
44,602	12,586	ASE	BFD B	3.15	1.11	39¾	Louisville, Ky	2.2	**W L Lyons Brown Jr**
55,827	7,308	NYSE	BG	5.72	1.85	25½	St Louis, Mo	26.0	**W L Hadley Griffin**
87,618	20,098	NYSE	BC	2.39	0.78	13⅜	Skokie, Ill	28.0	**K Brooks Abernathy**
70,087	20,412	NYSE	BY	2.75	0.88	20	South Milwaukee, Wisc	6.1	**Norris K Ekstrom**
220,610	28,067	NYSE	BUR	2.73	1.40	16⅞	Greensboro, NC	67.0	**William A Klopman**
270,984	12,653	NYSE	BNI	13.11	1.95	56⅛	St Paul, Minn	56.1	**Norman M Lorentzsen**
558,805	41,193	NYSE	BGH	7.45	1.95	78⅜	Detroit, Mich	56.5	**Paul S Mirabito**
128,793	10,446	NYSE	CBT	6.83	1.50	45¾	Boston, Mass	8.1	**Robert A Charpie**
25,067	26,131	NYSE	CAW	0.35	none	17⅞	Los Angeles, Cal	7.8	**William McElnea Jr**
36,642	5,756	OTC	CFBK	3.50	1.01	17⅜	San Francisco, Cal	3.7	**Toshio Nagamura**
87,252	28,509	OTC	CAME	1.97	0.19	24¾	Houston, Tex	9.3	**Myron A Wright**
201,982	32,972	NYSE	CPB	3.98	1.76	30	Camden, NJ	38.0	**Harold A Shaub**
68,010	11,090	NYSE	CTI	2.97	1.05	25⅝	Dallas, Tex	23.2	**C B Lane**
77,888	13,058	NYSE	CCB	4.68	0.20	48⅝	New York, NY	5.5	**Thomas S Murphy**
204,757	28,347	NYSE	CPH	2.96	0.92	19¾	Louisville, Ky	6.5	**Thomas C Simons**
184,185	37,319	NYSE	CMK	3.70	1.50	25	Los Angeles, Cal	22.7	**H Everett Olson**
347,716	41,386	NYSE	CPL	3.06	2.02	19⅛	Raleigh, NC	6.2	**Sherwood H Smith Jr**
141,274	25,192	NYSE	CHH	2.67	1.08	17⅜	Los Angeles, Cal	53.0	**Philip M Hawley**
74,136	25,332	NYSE	CKE	1.19	0.76	14	Honolulu, Haw	43.7	**Donald J Kirchhoff**
722,306	86,434	NYSE	CAT	5.69	2.10	54	Peoria, Ill	89.4	**Lee L Morgan**
93,543	18,113	NYSE	CBH	3.20	1.20	38¼	Oak Brook, Ill	12.0	**Marvin G Mitchell**
278,258	27,845	NYSE	CBS	7.21	2.65	52⅜	New York, NY	38.7	**John D Backe**
29,768	2,824	OTC	CBCT	6.12	2.05	27¼	Hartford, Conn	3.7	**Walter J Connolly Jr**
354,000	14,420	NYSE	CZ	9.52	3.10	47⅜	New York, NY	33.3	**John D Macomber**
350,297	71,771	NYSE	CSR	2.27	1.42	14⅛	Dallas, Tex	8.2	**Durwood Chalker**
28,583	5,252	OTC	CBAN	3.95	1.67	24¼	Cincinnati, Ohio	2.5	**Oliver W Birckhead**
28,488	6,689	OTC	CBSS	2.61	0.80	12⅝	Birmingham, Ala	2.3	**Harry B Brock Jr**
24,566	5,441	OTC	CFBS	2.62	0.95	12½	Richmond, Va	2.7	**Alvin R Clements**
86,094	19,360	NYSE	CEL	2.88	0.82	24¼	Lafayette, La	1.3	**Gale L Galloway**
52,082	14,428	NYSE	CSY	2.23	0.78	14	Fort Wayne, Ind	9.3	**Douglas G Fleming**
234,677	24,696	NYSE	CTU	3.34	1.84	25⅜	Chicago, Ill	12.2	**Robert P Reuss**
30,690	3,878	OTC	CENB	5.78	2.16	25⅞	Cleveland, Ohio	2.7	**John A Gelbach**
75,241	13,453	NYSE	CRT	1.30	0.90	14¾	Valley Forge, Pa	10.7	**Gabriel Aufaure**
65,128	18,659	NYSE	CEA	2.47	0.76	23½	Wichita, Kan	20.5	**Russell W Meyer**
434,748	53,300	NYSE	CHA	4.70	1.28	23⅞	Stamford, Conn	43.2	**Andrew C Sigler**
75,933	38,261	NYSE	CHM	1.49	0.78	10⅛	Toledo, Ohio	16.0	**Robert A Stranahan Jr**

All share data adjusted for stock splits and stock dividends through May 12, 1980.

THE DIMENSIONS OF AMERICAN BUSINESS:

WHERE THEY RANK: 1979								
Assets	Sales	Market Value	Net Profits	Company (fiscal year end)	Assets ($000)	Sales ($000)	Market Value of Common ($000)	Net Profits ($000)
440	101	290	53	**Charter (Dec)**	1,728,694	4,249,695	703,289	367,726
4	64	146	72	**Chase Manhattan (Dec)**	64,708,018	6,079,238	1,238,279	303,019
9	146	379	215	**Chemical New York (Dec)**	39,375,293	3,291,978	546,115	134,706
■	404	286	350	**Chesebrough-Pond's (Dec)**	789,083	1,177,093	709,522	82,609
190	281	345	247	**Chessie System (Dec)**	3,418,781	1,859,562	610,702	120,481
■	329	■	■	**Chromalloy American (Dec)**	950,120	1,536,489	297,827	50,554
80	22	442	■	**Chrysler (Dec)**	6,653,100	12,001,900	450,252	–1,097,300
288	402	426	301	**Chubb (Dec)**	2,490,108	1,195,542	472,036	97,742
369	■	441	333	**Cincinnati Gas & Electric (Dec)**	1,980,835	825,826	452,749	85,748
■	■	462	483	**Cincinnati Milacron (Dec)**	570,562	747,874	432,201	55,439
3	26	49	34	**Citicorp (Dec)**	106,370,619	10,904,332	2,942,483	541,447
135	60	62	58	**Cities Service (Dec)**	4,773,000	6,276,500	2,315,928	347,500
154	■	■	■	**Citizens & Southern Natl Bank (Dec)**	4,059,643	382,529	176,547	22,751
405	■	■	■	**Citizens Fidelity (Dec)**	1,827,043	158,914	91,483	14,748
76	77	461	224	**City Investing (Dec)**	6,865,456	5,040,710	432,324	132,550
■	301	407	282	**Clark Equipment (Dec)**	1,063,075	1,738,104	498,453	106,136
■	408	■	370	**Clark Oil & Refining (Dec)**	453,215	1,156,916	200,732	77,428
■	■	491	■	**Cleveland-Cliffs Iron (Dec)**	520,376	336,956	406,282	47,133
263	■	311	251	**Cleveland Electric Illuminating (Dec)**	2,678,786	824,267	670,670	113,534
167	100	270	291	***Coastal Corp (Dec)**	3,775,636	4,287,115	765,593	100,481
224	79	32	45	**Coca-Cola (Dec)**	2,938,041	4,961,402	4,262,786	420,120
298	92	153	260	**Colgate-Palmolive (Dec)**	2,429,284	4,494,464	1,177,485	113,548
■	■	■	392	**Colonial Penn Group (Dec)**	957,995	751,825	340,620	71,724
■	246	371	269	**Colt Industries (Dec)**	1,301,619	2,140,515	561,161	111,375
177	170	145	184	**Columbia Gas System (Dec)**	3,626,036	2,851,733	1,238,464	153,281
499	■	■	453	**Columbus & Southern Ohio Electric (Dec)**	1,448,666	416,770	345,309	59,977
■	■	396	318	**Combined Insurance Co of America (Dec)**	1,157,223	662,487	517,714	90,673
351	177	203	302	**Combustion Engineering (Dec)**	2,082,960	2,757,504	967,967	97,641
268	■	■	■	**Commerce Bancshares (Dec)**	2,652,666	228,336	109,064	23,398
■	415	■	■	**Commercial Metals (Aug)**	224,617	1,141,851	75,207	15,117
57	181	88	73	**Commonwealth Edison (Dec)**	9,172,615	2,720,922	1,757,660	296,678
■	393	■	450	**Commonwealth Oil Refining (Dec)**	644,838	1,213,626	155,625	60,535
35	76	124	81	**Connecticut General Insurance (Dec)**	14,949,809	5,089,978	1,425,851	270,087
54	20	25	18	**°Conoco (Dec)**	9,311,171	12,647,998	5,087,549	815,360
73	142	114	68	**Consolidated Edison (Dec)**	7,133,210	3,332,786	1,517,444	323,912
348	84	268	268	**Consolidated Foods (June)**	2,089,471	4,720,266	772,018	111,408
■	303	■	419	**Consolidated Freightways (Dec)**	769,171	1,719,968	323,111	65,885
277	256	256	228	**Consolidated Natural Gas (Dec)**	2,579,387	2,045,947	798,078	128,303
■	■	■	488	**Consolidated Papers (Dec)**	341,629	445,447	291,248	54,786
101	264	195	116	**Consumers Power (Dec)**	5,579,087	2,003,374	990,107	203,787
■	487	■	■	**Continental Airlines (Dec)**	738,707	927,596	153,090	–13,185
465	■	■	■	**Continental Bank (Dec)**	1,619,610	154,844	96,359	17,258
72	147	128	76	**Continental Corp (Dec)**	7,458,312	3,252,707	1,395,762	287,230
180	95	209	134	**Continental Group (Dec)**	3,595,300	4,369,700	943,058	189,200
10	140	160	129	**Continental Illinois (Dec)**	35,790,119	3,375,857	1,137,351	195,807
223	417	247	256	**Continental Telephone (Dec)**	2,944,625	1,134,587	830,825	114,296
78	150	223	249	**††Control Data (Dec)**	6,784,500	3,250,000	910,858	119,300

■ Not on 500 list.

††Figures include unconsolidated subsidiaries.

*Formerly Coastal States Gas.

°Formerly Continental Oil.

A ROSTER OF THE U.S.'s BIGGEST CORPORATIONS

	SHARE DATA: 1979								
Cash Flow ($000)	Shares Outstanding (000)	Where Traded	Ticker Symbol	Earnings Before Extraordinary Items	Dividends	Market Price (Dec. 31)	Corporate Headquarters	Number of Employees (000)	Chief Executive
409,439	20,166	NYSE	CHR	14.93	0.52	34⅞	Jacksonville, Fla	8.0	**Raymond K Mason**
528,566	32,059	NYSE	CMB	8.81	2.40	38⅝	New York, NY	32.5	**Willard C Butcher**
244,833	14,911	NYSE	CHL	8.53	3.16	36⅝	New York, NY	17.5	**Donald C Platten**
105,094	32,251	NYSE	CBM	2.56	1.08	22	Greenwich, Conn	19.4	**Ralph E Ward**
254,631	20,023	NYSE	CO	6.05	2.32	30½	Baltimore, Md	39.9	**Hays T Watkins**
80,153	12,949	NYSE	CRO	3.60	1.10	23	Clayton, Mo	27.0	**Richard L Wachtell**
−723,200	66,704	NYSE	C	−17.18	0.20	6¾	Highland Park, Mich	109.3	**Lee A Iacocca**
202,996	12,422	OTC	CHUB	7.87	2.20	38	New York, NY	7.6	**William M Rees**
123,533	27,233	NYSE	CIN	2.59	1.96	16⅝	Cincinnati, Ohio	4.8	**William H Dickhoner**
71,080	14,968	NYSE	CMZ	3.70	0.66	28⅞	Cincinnati, Ohio	14.1	**James A Geier**
817,988	123,894	NYSE	FNC	4.34	1.27	23¾	New York, NY	51.6	**Walter B Wriston**
795,400	83,208	NYSE	CS	4.18	1.13	27⅞	Tulsa, Okla	18.5	**Robert V Sellers**
68,373	28,824	OTC	CSGA	0.79	0.06	6⅛	Atlanta, Ga	5.6	**Bennett A Brown**
27,851	3,734	OTC	CFDY	3.95	1.35	24½	Louisville, Ky	1.7	**J David Grissom**
557,158	24,018	NYSE	CNV	5.07	1.15	18	Beverly Hills, Cal	69.4	**George T Scharffenberger**
140,109	12,989	NYSE	CKL	8.03	2.10	38⅜	Buchanan, Mich	21.8	**Bert E Phillips**
100,748	7,169	NYSE	CKO	10.76	0.73	28	Milwaukee, Wisc	7.9	**Robert G Reed III**
74,192	12,219	NYSE	CLF	3.85	1.40	33¼	Cleveland, Ohio	8.6	**Samuel K Scovil**
162,251	41,272	NYSE	CVX	2.31	1.92	16¼	Cleveland, Ohio	5.0	**Robert M Ginn**
268,608	21,566	NYSE	CGP	4.92	0.35	35½	Houston, Tex	6.1	**Oscar S Wyatt Jr**
574,903	123,559	NYSE	KO	3.40	1.96	34½	Atlanta, Ga	38.6	**J Paul Austin**
242,824	81,912	NYSE	CL	1.39	1.08	14⅜	New York, NY	48.8	**Keith Crane**
172,769	16,124	NYSE	CPG	4.45	1.30	21⅛	Philadelphia, Pa	4.8	**John J MacWilliams**
160,035	12,790	NYSE	COT	8.40	2.50	43⅞	New York, NY	32.1	**George A Strichman**
441,496	32,807	NYSE	CG	4.39	2.44	37¾	Wilmington, Del	11.4	**Bernard J Clarke**
87,122	16,346	NYSE	COC	2.84	2.32	21⅛	Columbus, Ohio	3.0	**Ben T Ray**
192,805	27,070	OTC	COMB	3.37	1.25	19⅛	Chicago, Ill	3.3	**Clement Stone**
181,059	16,337	NYSE	CSP	5.96	2.10	59¼	Stamford, Conn	43.3	**Arthur J Santry Jr**
31,628	4,794	OTC	CBSH	4.73	1.48	22¾	Kansas City, Mo	3.2	**James M Kemper Jr**
21,820	2,838	ASE	CMC	5.33	0.55	26½	Dallas, Tex	2.7	**Stanley A Rabin**
521,891	87,883	NYSE	CWE	2.51	2.60	20	Chicago, Ill	16.4	**James J O'Connor**
77,510	15,000	NYSE	CWO	3.93	none	10⅜	San Antonio, Tex	1.5	**C Howard Hardesty Jr**
1,427,932	41,329	NYSE	CGN	6.54	1.26	34½	Hartford, Conn	13.9	**Robert D Kilpatrick**
1,520,896	107,673	NYSE	CLL	7.58	1.70	47¼	Stamford, Conn	40.5	**Ralph E Bailey**
594,246	62,575	NYSE	ED	4.51	2.44	24¼	New York, NY	23.1	**Charles F Luce**
255,435	29,693	NYSE	CFD	3.60	1.60	26	Chicago, Ill	94.5	**John H Bryan Jr**
114,486	13,055	NYSE	CNF	5.06	1.25	24¾	San Francisco, Cal	24.3	**Raymond F O'Brien**
296,452	19,645	NYSE	CNG	6.30	3.00	40⅝	Pittsburgh, Pa	7.5	**George J Tankersley**
73,861	5,344	OTC	CPER	10.29	3.30	54½	Wisconsin Rapids, Wisc	5.4	**George W Mead**
218,378	52,456	NYSE	CMS	3.24	2.30	18⅞	Jackson, Mich	12.1	**John D Selby**
20,328	15,309	NYSE	CAL	−0.87	0.40	10	Los Angeles, Cal	12.5	**Alvin L Feldman**
29,119	3,933	OTC	CBTN	4.40	1.75	24½	Norristown, Pa	1.5	**Roy T Peraino**
484,869	52,423	NYSE	CIC	5.35	2.00	26⅝	New York, NY	23.2	**John B Ricker Jr**
337,200	32,660	NYSE	CCC	5.27	2.25	28⅞	Stamford, Conn	62.1	**Robert S Hatfield**
300,934	39,219	NYSE	CIL	4.99	1.48	29	Chicago, Ill	11.8	**Roger E Anderson**
345,250	51,524	NYSE	CTC	2.15	1.33	16⅛	Atlanta, Ga	19.0	**Charles Wohlstetter**
274,500	16,790	NYSE	CDA	6.91	0.40	54¼	Minneapolis, Minn	57.2	**William C Norris**

All share data adjusted for stock splits and stock dividends through May 12, 1980.

WHERE THEY RANK: 1979								
Assets	Sales	Market Value	Net Profits	Company (fiscal year end)	Assets ($000)	Sales ($000)	Market Value of Common ($000)	Net Profits ($000)
484	358	225	265	Cooper Industries (Dec)	1,500,071	1,394,797	909,305	111,786
■	■	434	407	Adolph Coors (Dec)	828,945	740,504	459,926	68,449
■	352	196	234	Corning Glass Works (Dec)	1,385,163	1,421,598	989,632	124,943
■	■	457	■	Cox Broadcasting (Dec)	379,091	271,187	433,174	41,790
355	126	123	150	CPC International (Dec)	2,067,644	3,698,689	1,436,684	178,651
■	324	■	484	Crane (Dec)	1,042,254	1,573,199	330,805	55,029
32	322	■	254	Crocker National (Dec)	16,138,650	1,577,900	374,158	116,898
■	440	■	393	Crown Central Petroleum (Dec)	505,027	1,054,771	222,067	71,678
■	356	454	401	Crown Cork & Seal (Dec)	828,154	1,402,383	436,817	70,396
337	173	165	219	Crown Zellerbach (Dec)	2,160,600	2,804,100	1,105,901	133,500
184	300	271	193	Crum & Forster (Dec)	3,520,305	1,745,068	757,904	149,316
395	■	■	■	Cullen/Frost Bankers (Dec)	1,868,213	166,814	71,595	12,154
■	297	■	465	Cummins Engine (Dec)	1,102,588	1,770,834	258,943	57,938
■	496	■	■	Cyclops (Dec)	402,580	915,361	70,199	5,263
431	176	244	167	Dana (Aug)	1,755,876	2,761,135	839,733	164,177
386	219	212	161	Dart Industries (Dec)	1,907,245	2,403,266	936,623	171,666
■	■	376	■	Data General (Sept)	468,573	507,483	552,262	49,814
■	■	470	■	Datapoint (July)	167,941	232,101	426,712	25,246
400	139	190	132	Dayton-Hudson (Jan)	1,832,785	3,384,849	1,005,135	192,089
493	■	■	443	Dayton Power & Light (Dec)	1,480,808	577,232	345,608	61,536
421	■	■	■	Dean Witter Reynolds Organization (Aug)	1,787,913	521,012	87,648	11,373
150	80	60	70	Deere (Oct)	4,179,232	4,933,104	2,380,091	310,637
■	■	■	499	Delmarva Power & Lt (Dec)	1,249,606	424,699	306,800	53,376
420	215	264	211	Delta Air Lines (June)	1,788,325	2,427,846	781,757	136,744
■	■	492	■	Deluxe Check Printers (Dec)	216,603	366,056	406,014	38,599
480	■	■	■	Deposit Guaranty (Dec)	1,519,130	132,450	67,988	12,808
118	306	218	155	Detroit Edison (Dec)	5,146,023	1,698,511	921,443	176,029
123	■	■	■	DETROITBANK (Dec)	5,066,835	439,836	218,927	40,535
■	381	421	441	Diamond International (Dec)	820,071	1,283,377	480,867	61,687
299	226	98	152	Diamond Shamrock (Dec)	2,417,565	2,356,858	1,675,580	178,123
■	446	■	■	Di Giorgio (Dec)	305,686	1,028,502	79,349	11,076
396	289	52	151	Digital Equipment (June)	1,863,180	1,804,092	2,816,574	178,434
■	409	■	■	Dillingham (Dec)	701,697	1,154,911	158,635	27,839
■	291	■	■	Dillon Companies (June)	387,170	1,792,217	254,189	33,586
■	■	120	258	Walt Disney Productions (Sept)	1,196,424	796,773	1,449,956	113,788
360	■	■	■	Dominion Bankshares (Dec)	2,013,422	187,223	110,360	18,461
280	■	■	■	Donaldson, Lufkin & Jenrette (Dec)	2,531,873	329,918	34,860	3,750
■	472	399	429	R R Donnelley & Sons (Dec)	670,083	957,807	515,827	63,337
■	■	364	472	Dover (Dec)	414,456	666,801	566,928	57,066
49	33	21	20	Dow Chemical (Dec)	10,251,637	9,255,387	5,820,440	783,898
■	■	336	■	Dow Jones (Dec)	335,670	440,929	624,962	51,063
■	461	■	■	Dravo (Dec)	616,084	992,332	248,496	28,180
286	136	72	103	Dresser Industries (Oct)	2,503,800	3,457,400	2,021,552	228,000
100	337	130	80	Duke Power (Dec)	5,626,075	1,492,557	1,371,185	274,760
■	473	148	323	Dun & Bradstreet (Dec)	672,601	951,708	1,216,171	88,833
61	21	20	16	E I du Pont de Nemours (Dec)	8,940,200	12,571,800	5,843,030	938,900
331	■	417	365	Duquesne Light (Dec)	2,222,537	622,540	484,369	78,362

■ Not on 500 list.

A ROSTER OF THE U.S.'s BIGGEST CORPORATIONS

	SHARE DATA: 1979								
Cash Flow ($000)	Shares Outstanding (000)	Where Traded	Ticker Symbol	Earnings Before Extraordinary Items	Dividends	Market Price (Dec. 31)	Corporate Headquarters	Number of Employees (000)	Chief Executive
150,795	29,874	NYSE	CBE	2.76	0.92	30½	Houston, Tex	26.5	**Robert Cizik**
126,487	35,042	OTC	ACCOB	1.95	0.25	13⅛	Golden, Colo	9.4	**William K Coors**
158,108	17,672	NYSE	GLW	7.05	1.94	56	Corning, NY	30.2	**Amory Houghton Jr**
68,991	6,742	NYSE	COX	6.20	0.75	64¼	Atlanta, Ga	2.0	**Clifford M Kirtland Jr**
268,400	23,796	NYSE	CPC	7.51	2.93	60⅝	Englewood Cliffs, NJ	41.0	**James W McKee Jr**
132,525	10,148	NYSE	CR	5.39	1.42	32⅝	New York, NY	21.0	**Thomas M Evans**
214,322	12,902	NYSE	CKN	8.94	1.95	29	San Francisco, Cal	16.6	**Thomas R Wilcox**
104,022	5,362	ASE	CNP A	13.37	0.37	41½	Baltimore, Md	1.3	**Henry A Rosenberg Jr**
113,740	14,998	NYSE	CCK	4.65	none	29⅛	Philadelphia, Pa	16.1	**John F Connelly**
254,500	25,423	NYSE	ZB	5.24	2.00	43½	San Francisco, Cal	31.6	**Charles R Dahl**
477,781	13,843	NYSE	CMF	10.80	2.30	54¾	New York, NY	9.6	**B P Russell**
20,706	3,182	OTC	CFBI	3.85	0.91	22½	San Antonio, Tex	1.9	**Thomas C Frost Jr**
89,885	8,353	NYSE	CUM	6.84	1.80	31	Columbus, Ind	23.8	**Henry B Schacht**
27,185	3,155	NYSE	CYL	1.35	1.23	22¼	Pittsburgh, Pa	8.9	**William H Knoell**
232,252	32,611	NYSE	DCN	5.03	1.46	25¾	Toledo, Ohio	36.5	**Gerald B Mitchell**
247,074	23,863	NYSE	D	7.04	1.80	39¼	Los Angeles, Cal	31.2	**Justin Dart**
66,666	10,064	NYSE	DGN	4.82	none	54⅞	Westboro, Mass	13.4	**Edson D deCastro**
51,861	4,103	NYSE	DPT	5.86	none	104	San Antonio, Tex	5.1	**Harold E O'Kelley**
242,764	23,720	NYSE	DH	8.10	1.65	42⅜	Minneapolis, Minn	40.0	**William A Andres**
78,562	23,835	NYSE	DPL	2.01	1.72	14½	Dayton, Ohio	3.7	**Robert E Frazer**
25,809	7,968	NYSE	DWR	1.37	0.80	11	San Francisco, Cal	9.0	**Andrew J Melton Jr**
413,606	60,833	NYSE	DE	5.12	1.55	39⅛	Moline, Ill	65.4	**William A Hewitt**
95,609	24,301	NYSE	DEW	1.91	1.38	12⅝	Wilmington, Del	2.5	**Robert D Weimer**
351,469	19,981	NYSE	DAL	6.88	1.15	39⅛	Atlanta, Ga	34.5	**David C Garrett Jr**
48,016	11,437	OTC	DELX	3.37	1.26	35½	St Paul, Minn	9.4	**Eugene R Olson**
18,301	2,956	OTC	DEPS	4.33	1.40	23	Jackson, Miss	1.5	**Warren A Hood**
321,540	74,460	NYSE	DTE	1.90	1.58	12⅜	Detroit, Mich	10.9	**William G Meese**
53,581	8,502	OTC	DBNK	4.77	1.65	25¾	Detroit, Mich	3.9	**Rodkey Craighead**
105,570	12,866	NYSE	DN	4.58	2.10	37⅜	New York, NY	18.5	**William J Koslo**
350,809	53,193	NYSE	DIA	3.37	1.51	31½	Dallas, Tex	12.4	**William H Bricker**
19,765	6,163	NYSE	DIG	1.73	0.52	12⅞	San Francisco, Cal	5.0	**Robert Di Giorgio**
246,589	40,894	NYSE	DEC	4.10	none	68⅞	Maynard, Mass	44.0	**Kenneth H Olsen**
49,715	12,819	NYSE	DHM	2.05	0.56	12⅜	Honolulu, Haw	11.0	**Herbert C Cornuelle**
55,079	16,139	NYSE	DLL	2.08	0.93	15¾	Hutchinson, Kan	19.9	**Ray E Dillon, Jr**
162,029	32,311	NYSE	DIS	3.51	0.48	44⅞	Burbank, Cal	21.0	**E Cardon Walker**
28,774	7,007	OTC	DMBK	2.65	0.90	15¾	Roanoke, Va	2.7	**Byron A Hicks**
7,349	8,715	NYSE	DLJ	0.43	0.14	4	New York, NY	1.9	**Richard H Jenrette**
106,476	18,505	NYSE	DNY	3.42	1.00	27⅞	Chicago, Ill	14.4	**Charles W Lake Jr**
70,855	17,856	NYSE	DOV	3.20	0.78	31¾	New York, NY	12.1	**Thomas C Sutton**
1,495,737	181,181	NYSE	DOW	4.33	1.45	32⅛	Midland, Mich	55.9	**Paul F Oreffice**
62,453	15,527	NYSE	DJ	3.29	1.44	40¼	New York, NY	4.9	**Warren H Phillips**
58,153	8,016	NYSE	DRV	3.47	1.28	31	Pittsburgh, Pa	14.4	**Robert Dickey III**
337,300	38,876	NYSE	DI	5.88	1.05	52	Dallas, Tex	55.2	**John V James**
429,306	79,489	NYSE	DUK	2.88	1.83	17¼	Charlotte, NC	20.1	**Carl Horn Jr**
116,584	27,719	NYSE	DNB	3.19	1.67	43⅞	New York, NY	24.3	**Harrington Drake**
1,869,500	144,719	NYSE	DD	6.42	2.75	40⅜	Wilmington, Del	135.5	**Irving S Shapiro**
137,279	35,550	NYSE	DQU	1.69	1.74	13⅝	Pittsburgh, Pa	4.4	**John M Arthur**

All share data adjusted for stock splits and stock dividends through May 12, 1980.

THE DIMENSIONS OF AMERICAN BUSINESS:

WHERE THEY RANK: 1979								
Assets	Sales	Market Value	Net Profits	Company (fiscal year end)	Assets ($000)	Sales ($000)	Market Value of Common ($000)	Net Profits ($000)
294	168	■	467	**Eastern Air Lines (Dec)**	2,453,018	2,881,526	189,635	57,631
■	■	439	■	**Eastern Gas & Fuel Associates (Dec)**	923,149	859,975	455,898	47,923
70	40	14	15	**Eastman Kodak (Dec)**	7,546,912	8,028,231	7,767,086	1,000,764
307	141	312	183	**Eaton (Dec)**	2,355,436	3,359,914	669,223	154,066
■	373	321	457	**Jack Eckerd (July)**	490,137	1,325,140	653,718	59,303
181	161	175	206	**El Paso (Dec)**	3,569,878	3,088,556	1,064,996	138,134
446	192	70	121	**Emerson Electric (Sept)**	1,697,567	2,614,110	2,107,605	201,026
■	323	■	496	**Emhart (Dec)**	964,544	1,573,475	377,500	53,679
■	■	432	■	**Energy Reserves Group (Dec)**	203,517	102,346	462,010	14,430
96	14	67	57	**Engelhard Minerals & Chemicals (Dec)**	5,800,002	18,079,793	2,150,100	349,722
390	240	237	311	**ENSERCH (Dec)**	1,881,447	2,238,216	864,954	93,711
267	■	■	■	**Equimark (Dec)**	2,660,925	238,955	37,969	8,119
358	■	■	■	**Equitable Bancorporation (Dec)**	2,038,702	199,812	57,747	13,186
463	■	■	■	**Equitable of Iowa Cos (Dec)**	1,627,951	390,439	115,575	23,363
486	■	■	■	**Equitable Savings & Loan Assoc (Dec)**	1,493,844	162,908	48,556	8,607
■	■	436	■	**ERC (Dec)**	1,427,077	535,793	459,278	47,131
303	55	333	314	**Esmark (Oct)**	2,389,872	6,743,167	629,120	92,423
■	310	375	304	**Ethyl (Dec)**	1,141,798	1,656,977	552,321	97,515
■	340	■	438	**Evans Products (Dec)**	788,027	1,481,644	270,732	62,434
■	471	497	494	**Ex-Cell-O (Nov)**	618,845	961,867	397,761	54,212
6	1	3	2	**Exxon (Dec)**	49,489,964	79,106,889	24,189,842	4,295,243
■	■	221	286	**Farmers Group (Dec)**	1,265,624	434,507	915,705	101,709
■	468	■	■	**Fed-Mart (Aug)**	321,332	975,139	29,495	-11,103
5	104	208	172	**Federal National Mortgage Assoc (Dec)**	51,299,667	4,211,834	945,989	161,749
198	66	134	119	**Federated Department Stores (Jan)**	3,295,344	5,806,442	1,334,011	203,228
242	■	■	■	**Fidelcor (Dec)**	2,837,442	284,417	54,362	3,999
309	■	■	■	**Fidelity Financial (Dec)**	2,344,655	215,658	56,933	15,892
311	■	■	■	**Fidelity Union Bancorp (Dec)**	2,341,630	197,489	117,250	22,445
442	■	■	■	**Financial Corp of Santa Barbara (Dec)**	1,726,736	150,841	57,052	12,193
302	■	■	■	**Financial Federation (Dec)**	2,397,189	220,466	128,196	22,288
322	■	■	■	**Financial General Bankshares (Dec)**	2,292,805	203,778	121,415	15,634
186	71	401	368	**Firestone Tire & Rubber (Oct)**	3,457,100	5,284,200	511,688	77,700
404	■	■	■	**First Alabama Bancshares (Dec)**	1,828,885	186,367	108,243	22,323
444	■	■	■	**First American Bank (Dec)**	1,713,173	152,640	67,040	15,550
401	■	■	■	**First Amtenn (Dec)**	1,831,947	174,888	59,850	12,172
320	■	■	■	**First & Merchants (Dec)**	2,296,838	216,544	67,190	13,585
220	■	■	■	**First Atlanta (Dec)**	2,999,586	298,462	79,891	17,916
41	441	353	287	**First Bank System (Dec)**	12,118,450	1,054,343	592,737	101,691
132	■	■	■	**First Boston (Dec)**	4,890,917	145,495	70,308	17,245
50	■	386	316	**First Charter Financial (Dec)**	9,548,833	846,313	532,246	90,848
14	189	343	263	**First Chicago (Dec)**	30,181,800	2,645,963	614,312	112,041
52	■	405	406	**First City Bancorporation of Texas (Dec)**	9,504,717	809,730	503,014	68,478
409	■	■	■	**First Empire State (Dec)**	1,817,671	172,431	30,831	8,725
411	■	■	■	**First Florida Banks (Dec)**	1,814,677	144,851	55,979	13,292
447	■	■	■	**First Hawaiian (Dec)**	1,696,598	152,728	77,342	14,910
43	434	263	300	**First International Bancshares (Dec)**	11,503,940	1,071,192	784,692	97,923
349	■	■	■	**First Kentucky National (Dec)**	2,088,777	190,320	116,997	18,917

■ Not on 500 list.

A ROSTER OF THE U.S.'s BIGGEST CORPORATIONS

	SHARE DATA: 1979								
Cash Flow ($000)	Shares Outstanding (000)	Where Traded	Ticker Symbol	Earnings Before Extraordinary Items	Dividends	Market Price (Dec. 31)	Corporate Headquarters	Number of Employees (000)	Chief Executive
241,946	24,469	NYSE	EAL	2.10	none	7¾	Miami, Fla	38.9	**Frank Borman**
104,557	21,082	NYSE	EFU	2.27	0.86	21⅝	Boston, Mass	9.8	**William J Pruyn**
1,396,782	161,394	NYSE	EK	6.20	2.80	48⅛	Rochester, NY	126.3	**Walter A Fallon**
261,332	26,116	NYSE	ETN	5.89	1.61	25⅝	Cleveland, Ohio	57.8	**E Mandell de Windt**
75,523	23,664	NYSE	ECK	2.53	0.85	27⅝	Clearwater, Fla	24.0	**Stewart Turley**
339,278	46,813	NYSE	ELG	2.99	1.36	22¾	Houston, Tex	8.7	**Travis H Petty**
268,341	60,003	NYSE	EMR	3.37	1.48	35⅛	St Louis, Mo	53.9	**Charles F Knight**
88,137	12,080	NYSE	EMH	4.38	2.30	31¼	Farmington, Conn	37.5	**T Mitchell Ford**
25,462	48,001	OTC	ERGS	0.30	none	9⅝	Wichita, Kan	0.6	**Richard K Volk**
394,543	68,011	NYSE	ENG	5.32	0.77	31⅝	New York, NY	12.4	**Milton F Rosenthal**
205,025	29,698	NYSE	ENS	2.85	1.41	29⅛	Dallas, Tex	18.4	**William C McCord**
13,960	4,161	NYSE	EQK	1.51	0.96	9⅛	Pittsburgh, Pa	2.2	**William E Bierer**
31,117	3,976	OTC	EBNC	3.31	0.64	14⅝	Baltimore, Md	2.8	**Owen Daly II**
81,214	5,025	OTC	EQIC	4.65	1.23	23	Des Moines, Iowa	5.3	**Kenneth R Austin**
86,139	1,952	OTC	EQTB	4.41	1.00	24⅞	Portland, Ore	1.0	**William E Love**
164,663	5,567	OTC	ERCC	8.75	1.25	82½	Kansas City, Mo	0.8	**Stanford Miller**
209,074	21,978	NYSE	ESM	4.40	1.84	28⅝	Chicago, Ill	44.0	**Donald P Kelly**
170,752	19,128	NYSE	EY	4.94	1.28	28⅞	Richmond, Va	16.0	**Floyd D Gottwald Jr**
74,049	12,306	NYSE	EVY	4.65	1.40	22	Portland, Ore	18.5	**Monford A Orloff**
79,475	10,199	NYSE	XLO	5.31	1.75	39	Troy, Mich	16.9	**Edward J Giblin**
7,697,881	438,818	NYSE	XON	9.74	3.90	55⅛	New York, NY	169.1	**Clifton C Garvin Jr**
159,343	33,915	OTC	FGRP	3.00	0.84	27	Los Angeles, Cal	10.4	**Richard G Lindsley**
–3,983	2,226	ASE	FMI	–5.54	0.30	13¼	San Diego, Cal	10.5	**Heinz L Gundlach**
159,411	58,666	NYSE	FNM	2.81	1.28	16⅛	Washington, DC	1.3	**A Oakley Hunter**
361,390	48,290	NYSE	FDS	4.21	1.70	27⅝	Cincinnati, Ohio	112.5	**Ralph Lazarus**
22,854	4,942	OTC	FICR	0.81	0.06	11	Philadelphia, Pa	3.0	**Raymond J Dempsey**
27,527	6,415	NYSE	FDY	2.48	0.60	8⅞	San Francisco, Cal	1.0	**Adolph C Meyer Jr**
29,003	3,813	NYSE	FDU	5.87	2.70	30¾	Newark, NJ	2.4	**C Malcolm Davis**
15,589	3,901	NYSE	FSB	3.14	1.00	14⅜	Santa Barbara, Cal	0.7	**David L Tilton**
23,573	4,186	NYSE	FFI	5.34	1.25	30⅝	Los Angeles, Cal	0.6	**Edward L Johnson**
28,379	6,938	ASE	FGL	2.25	0.38	17½	Washington, DC	3.5	**J William Middendorf II**
295,800	57,655	NYSE	FIR	1.35	0.98	8⅞	Akron, Ohio	107.0	**Richard A Riley**
33,592	5,697	OTC	FABC	3.92	1.23	19	Montgomery, Ala	2.5	**Frank A Plummer**
21,451	4,063	OTC	FABK	3.83	1.05	16½	Kalamazoo, Mich	2.1	**James H Duncan**
16,414	5,985	OTC	FATN	1.93	0.57	10	Nashville, Tenn	2.1	**Kenneth L Roberts**
24,707	3,318	OTC	FMCH	4.09	1.57	20¼	Richmond, Va	3.3	**C Coleman McGehee**
40,797	6,947	OTC	FATL	2.58	0.85	11½	Atlanta, Ga	4.2	**Thomas R Williams**
151,899	15,006	OTC	FBKS	6.80	2.04	39½	Minneapolis, Minn	9.4	**Donald R Grangaard**
16,628	4,536	OTC	FBOS	3.78	0.50	15½	New York, NY	1.3	**George L Shinn**
104,548	29,776	NYSE	FCF	3.05	0.80	17⅞	Beverly Hills, Cal	2.3	**S Mark Taper**
221,812	39,633	NYSE	FNB	2.83	1.13	15½	Chicago, Ill	10.2	**A Robert Abboud**
100,460	12,981	NYSE	FBT	5.34	1.50	38¾	Houston, Tex	5.8	**James A Elkins Jr**
14,885	2,868	OTC	FEMP	3.04	0.20	10¾	Buffalo, NY	2.2	**Claude F Shuchter**
21,228	11,785	OTC	FFBK	1.13	0.36	4¾	Tampa, Fla	2.0	**Chester H Ferguson**
22,438	3,033	OTC	FHWN	4.91	2.06	25½	Honolulu, Haw	2.1	**John D Bellinger**
134,030	20,448	NYSE	FIB	4.79	1.40	38⅜	Dallas, Tex	5.4	**Robert H Stewart III**
32,615	3,966	OTC	FKYN	4.77	1.70	29½	Louisville, Ky	2.4	**A Stevens Miles**

All share data adjusted for stock splits and stock dividends through May 12, 1980.

THE DIMENSIONS OF AMERICAN BUSINESS:

WHERE THEY RANK: 1979								
Assets	Sales	Market Value	Net Profits	Company (fiscal year end)	Assets ($000)	Sales ($000)	Market Value of Common ($000)	Net Profits ($000)
350	■	■	■	**First Maryland Bancorp (Dec)**	2,088,484	202,390	113,975	18,446
287	■	■	■	**First National Bancorp (Dec)**	2,498,981	228,948	76,576	15,975
37	315	■	340	**First National Boston (Dec)**	13,759,850	1,637,090	354,028	84,224
382	■	■	■	**First National Charter (Dec)**	1,918,841	151,871	99,004	15,133
435	■	■	■	**First National Cincinnati (Dec)**	1,752,813	153,960	126,000	22,547
214	■	■	■	**First National State Bancorp (Dec)**	3,109,914	252,897	85,490	18,253
■	422	■	■	**First National Supermarkets (Mar)**	233,429	1,111,691	23,672	3,934
426	■	■	■	**First Oklahoma Bancorporation (Dec)**	1,769,071	165,231	163,415	19,619
60	462	■	■	**First Pennsylvania (Dec)**	8,986,646	991,227	136,045	16,463
189	■	■	■	**First Security (Dec)**	3,425,702	347,980	232,164	35,322
258	■	■	■	**First Tennessee National (Dec)**	2,699,941	244,206	104,916	21,676
159	■	■	■	**First Union Bancorporation (Dec)**	3,897,845	338,53	131,702	27,711
212	■	■	■	**First Union (Dec)**	3,120,991	311,160	98,056	23,371
430	■	■	■	**First United Bancorporation (Dec)**	1,756,768	154,439	88,944	15,494
498	■	■	■	**First Virginia Banks (Dec)**	1,457,863	135,614	70,586	13,762
119	■	■	■	**First Wisconsin (Dec)**	5,106,707	434,568	104,700	22,162
■	370	■	■	**Fisher Foods (Dec)**	332,892	1,336,293	58,181	–6,989
398	■	■	■	**Flagship Banks (Dec)**	1,847,175	172,093	88,463	17,996
■	201	■	■	**Fleming Companies (Dec)**	297,265	2,507,684	110,915	16,439
■	494	■	■	**Flickinger (July)**	111,198	920,098	34,046	6,462
338	■	■	■	**Florida National Banks of Florida (Dec)**	2,135,436	169,282	93,738	16,124
383	■	478	383	**Florida Power (Dec)**	1,914,225	835,493	411,885	73,519
133	271	185	115	**Florida Power & Light (Dec)**	4,847,532	1,933,937	1,020,475	204,668
■	132	143	296	**Fluor (Oct)**	1,267,739	3,543,310	1,242,582	98,671
297	144	246	189	**FMC (Dec)**	2,434,774	3,307,484	835,614	151,566
■	458	■	■	**Food Fair (July)**	659,007‡	1,000,000*	21,154	–211,000*
21	5	39	12	**Ford Motor (Dec)**	23,510,200	43,513,700	3,845,696	1,169,300
■	143	■	466	**Foremost-McKesson (Mar)**	1,134,114	3,313,155	380,096	57,740
■	■	346	454	**Fort Howard Paper (Dec)**	421,818	342,486	610,521	59,836
■	311	443	■	**Foster Wheeler (Dec)**	894,855	1,654,010	449,361	47,921
■	■	129	288	**Freeport Minerals (Dec)**	683,152	487,692	1,374,593	101,389
485	208	■	324	**Fruehauf (Dec)**	1,499,977	2,451,346	337,912	88,693
■	252	■	416	**Fuqua Industries (Dec)**	925,796	2,056,824	235,931	66,602
■	395	■	■	**GAF (Dec)**	835,635	1,213,243	136,151	28,183
■	253	■	■	**Gamble-Skogmo (Jan)**	1,076,519	2,053,003	138,387	31,184
■	436	100	216	**Gannett (Dec)**	1,049,262	1,065,244	1,664,4[illegible]2	134,081
327	■	447	398	**GATX (Dec)**	2,257,683	896,452	444,491	70,970
■	■	■	455	**GEICO (Dec)**	1,412,297	704,588	253,721	59,549
■	■	211	■	**General American Oil Co of Texas (June)**	391,613	149,168	940,957	35,008
365	109	106	139	**General Dynamics (Dec)**	2,004,798	4,059,576	1,609,482	185,156
31	11	8	9	**General Electric (Dec)**	16,644,500	22,460,600	11,534,349	1,408,800
278	67	97	99	**General Foods (Mar)**	2,565,312	5,472,456	1,679,972	232,149
■	■	446	■	**General Instrument (Feb)**	514,232	718,104	446,097	51,130
399	123	141	195	**General Mills (May)**	1,835,200	3,745,000	1,257,875	147,000
11	2	4	4	**General Motors (Dec)**	32,022,900	66,311,200	14,468,200	2,892,700
127	338	389	307	**General Public Utilities (Dec)**	4,991,994	1,490,154	528,402	95,783
257	■	177	218	**General Reinsurance (Dec)**	2,706,805	903,556	1,057,203	133,901

■ Not on 500 list.
‡Assets as of 5/5/79.
*Estimated.

A ROSTER OF THE U.S.'s BIGGEST CORPORATIONS

	SHARE DATA: 1979								
Cash Flow ($000)	Shares Outstanding (000)	Where Traded	Ticker Symbol	Earnings Before Extraordinary Items	Dividends	Market Price (Dec. 31)	Corporate Headquarters	Number of Employees (000)	Chief Executive
31,552	5,875	OTC	FMDB	3.16	1.10	19½	Baltimore, Md	2.5	J Owen Cole
36,914	4,786	OTC	FNTL	3.36	1.06	16	Denver, Colo	2.7	Theodore D Brown
148,259	12,314	NYSE	FB	6.84	2.05	28¾	Boston, Mass	10.6	Richard D Hill
17,810	3,736	OTC	FNCH	4.03	1.58	26½	Kansas City, Mo	1.8	Gordon E Wells
26,618	4,500	OTC	FNAC	5.01	2.00	28	Cincinnati, Ohio	1.6	William N Liggett
26,457	4,120	NYSE	FNS	4.43	2.15	20¾	Newark, NJ	2.7	Robert R Ferguson Jr
12,132	4,304	OTC	FOOD	0.96	0.02	5½	Maple Heights, Ohio	20.0	Richard J Bogomolny
30,675	9,016	OTC	FOKL	2.15	0.30	18⅛	Oklahoma City, Okla	1.3	Charles A Vose
44,936	15,548	NYSE	FPA	1.06	1.32	8¾	Philadelphia, Pa	6.5	George A Butler
60,796	11,830	OTC	FSCO	2.97	0.86	19⅝	Salt Lake City, Utah	4.6	George S Eccles
36,191	9,025	OTC	FTEN	2.41	0.69	11⅝	Memphis, Tenn	3.2	Ronald A Terry
41,129	4,662	OTC	FUBC	5.95	2.15	28¼	St Louis, Mo	3.1	Clarence C Barksdale
38,583	6,942	OTC	FUNC	3.39	0.93	14⅛	Charlotte, NC	4.2	C Clifford Cameron
23,762	3,325	OTC	FBFW	4.66	1.20	26¾	Fort Worth, Tex	1.3	Paul W Mason
21,501	10,267	NYSE	FVB	1.31	0.50	6⅞	Falls Church, Va	2.8	Thomas K Malone Jr
35,235	4,188	NYSE	FWB	5.30	1.85	25	Milwaukee, Wisc	4.8	Hal C Kuehl
15,933	6,206	NYSE	FHR	−1.14	0.55	9⅜	Bedford Heights, Ohio	14.0	Dominick D DiMatteo Jr
27,364	7,007	OTC	FLAG	2.58	0.55	12⅝	Miami Beach, Fla	2.9	Philip F Searle
27,847	6,338	NYSE	FLM	2.61	0.93	17½	Oklahoma City, Okla	7.8	Richard D Harrison
11,792	2,867	OTC	FLIC	2.21	0.59	11⅞	Buffalo, NY	5.7	Robert F Norris
22,675	7,499	OTC	FNBF	2.15	0.58	12½	Jacksonville, Fla	2.9	John H Manry Jr
170,759	29,160	NYSE	FDP	2.07	1.41	14⅛	St Petersburg, Fla	3.9	Andrew H Hines Jr
466,649	40,819	NYSE	FPL	4.22	2.32	25	Miami, Fla	10.3	Marshall McDonald
220,981	23,612	NYSE	FLR	4.02	0.97	52⅝	Irvine, Cal	23.5	J Robert Fluor
278,567	32,139	NYSE	FMC	4.55	1.40	26	Chicago, Ill	46.2	Robert H Malott
NA	7,358	PAC	QFFS	−28.68	none	2⅞	Ft Lauderdale, Fla	16.9	Grant C Gentry
3,289,600	120,178	NYSE	F	9.75	3.90	32	Dearborn, Mich	494.6	Philip Caldwell
76,565	14,761	NYSE	FOR	4.06	1.40	25¾	San Francisco, Cal	17.7	Thomas E Drohan
85,571	13,455	NYSE	FHP	4.45	1.23	45⅜	Green Bay, Wisc	3.6	Paul J Schierl
61,457	16,957	NYSE	FWC	2.86	0.67	26½	Livingston, NJ	16.4	Frank A Lee
134,171	31,479	NYSE	FT	3.23	0.78	43¾	New York, NY	3.9	Paul W Douglas
176,221	12,177	NYSE	FTR	7.28	2.30	27¾	Detroit, Mich	33.1	Robert D Rowan
106,971	12,753	NYSE	FQA	5.11	0.43	18½	Atlanta, Ga	19.4	John B Fuqua
60,108	13,447	NYSE	GAF	1.83	0.68	10⅛	New York, NY	15.3	Jesse Werner
33,277	4,162	NYSE	GSK	7.52	1.48	33¼	Minneapolis, Minn	21.9	Wayne E Matschullat
187,537	34,766	NYSE	GCI	3.75	1.67	47⅞	Rochester, NY	21.0	Allen H Neuharth
232,317	12,095	NYSE	GMT	5.53	2.00	36¾	Chicago, Ill	10.1	James J Glasser
79,233	21,366	OTC	GCOR	3.24	0.36	11⅞	Washington, DC	5.7	John J Byrne
93,530	15,553	NYSE	GAO	2.25	0.54	60½	Dallas, Tex	1.7	William P Barnes
383,166	26,603	NYSE	GD	6.85	1.20	60½	St Louis, Mo	81.6	David S Lewis
2,007,400	227,839	NYSE	GE	6.20	2.70	50⅝	Fairfield, Conn	405.0	Reginald H Jones
308,643	49,962	NYSE	GF	4.65	1.90	33⅝	White Plains, NY	50.0	James L Ferguson
95,400	8,747	NYSE	GRL	5.90	none	51	New York, NY	24.0	Frank G Hickey
237,500	50,315	NYSE	GIS	2.92	1.20	25	Minneapolis, Minn	64.2	E Robert Kinney
5,758,800	289,364	NYSE	GM	10.04	5.30	50	Detroit, Mich	852.7	Thomas A Murphy
289,629	61,264	NYSE	GPU	1.56	1.20	8⅝	Parsippany, NJ	11.2	William G Kuhns
331,015	10,899	OTC	GREI	12.29	2.00	97	Greenwich, Conn	1.3	Harold J Hudson Jr

All share data adjusted for stock splits and stock dividends through May 12, 1980.
NA Not Available.

THE DIMENSIONS OF AMERICAN BUSINESS:

WHERE THEY RANK: 1979								
Assets	Sales	Market Value	Net Profits	Company (fiscal year end)	Assets ($000)	Sales ($000)	Market Value of Common ($000)	Net Profits ($000)
■	367	230	344	**General Signal (Dec)**	971,381	1,342,774	896,152	83,250
25	28	33	24	**General Telephone & Electronics (Dec)**	18,405,965	9,957,817	4,169,361	645,070
415	232	411	357	**General Tire & Rubber (Nov)**	1,797,105	2,294,853	492,742	81,726
■	460	■	■	**Genesco (July)**	360,127	992,925	50,484	6,332
■	369	322	440	**Genuine Parts (Dec)**	475,444	1,337,468	651,152	61,715
152	74	56	66	**Georgia-Pacific (Dec)**	4,118,000	5,207,000	2,600,760	327,000
90	82	18	25	**Getty Oil (Dec)**	6,031,920	4,831,005	6,058,858	604,434
■	388	■	■	**Giant Food (Feb)**	307,400	1,242,620	86,301	17,859
155	■	■	■	**Gibraltar Financial Corp of Calif (Dec)**	4,041,477	361,339	157,151	29,632
479	266	260	273	**Gillette (Dec)**	1,527,748	1,984,722	795,760	110,618
144	■	■	■	**Girard (Dec)**	4,359,874	393,853	128,106	30,800
■	416	■	449	**[10]GK Technologies (Dec)**	684,687	1,140,813	276,810	60,763
160	■	■	■	**Golden West Financial (Dec)**	3,888,766	365,220	224,560	36,495
352	163	■	351	**B F Goodrich (Dec)**	2,082,029	2,988,078	322,517	82,563
110	38	216	197	**Goodyear Tire & Rubber (Dec)**	5,371,239	8,238,676	922,893	146,184
467	259	323	283	**Gould (Dec)**	1,613,063	2,029,008	649,907	105,887
169	73	79	107	**W R Grace (Dec)**	3,728,853	5,266,629	1,822,541	222,580
■	■	391	■	**W W Grainger (Dec)**	359,637	732,506	527,137	48,190
■	56	■	■	**Great Atlantic & Pacific Tea (Feb)**	1,272,434‡	6,684,179	214,694	–3,807
■	407	398	319	**Great Northern Nekoosa (Dec)**	1,096,771	1,157,652	517,158	90,329
53	■	410	312	**Great Western Financial (Dec)**	9,453,989	878,354	493,592	93,071
408	85	331	240	**Greyhound (Dec)**	1,818,769	4,700,051	632,011	123,030
■	341	■	■	**Grumman (Dec)**	797,501	1,476,010	191,994	19,571
117	70	251	105	**Gulf & Western Industries (July)**	5,160,193	5,288,247	815,406	227,438
27	8	16	10	**Gulf Oil (Dec)**	17,265,000	23,910,000	6,753,641	1,322,000
296	■	428	341	**Gulf States Utilities (Dec)**	2,439,345	864,338	469,942	84,181
377	■	412	422	**Gulf United (Dec)**	1,930,935	530,058	491,406	65,103
158	44	26	51	**Halliburton (Dec)**	3,922,523	7,765,807	4,999,105	377,399
■	430	■	■	**Hammermill Paper (Dec)**	644,939	1,076,560	159,264	35,049
■	■	■	491	**Hanna Mining (Dec)**	565,524	408,913	329,522	54,600
74	■	■	■	**Harris Bankcorp (Dec)**	7,107,759	587,107	180,147	31,602
■	464	238	433	**Harris Corp (June)**	822,722	982,111	863,462	63,089
■	479	■	■	**Harsco (Dec)**	573,980	945,275	314,594	51,962
276	■	■	■	**Hartford National (Dec)**	2,590,627	226,414	42,315	9,236
464	207	226	274	**H J Heinz (Apr)**	1,674,074	2,470,883	906,957	110,430
102	■	■	■	**Walter E Heller International (Dec)**	5,566,491	633,760	269,010	40,361
■	■	390	■	**Helmerich & Payne (Sept)**	303,728	146,498	528,128	33,107
427	227	232	159	**Hercules (Dec)**	1,761,177	2,345,425	874,149	172,533
■	406	■	498	**Hershey Foods (Dec)**	607,199	1,161,295	348,665	53,504
■	378	330	410	**Heublein (June)**	971,918	1,303,392	634,002	68,130
388	225	41	120	**Hewlett-Packard (Oct)**	1,900,000	2,361,000	3,499,550	203,000
■	■	250	294	**Hilton Hotels (Dec)**	637,005	513,934	823,831	99,283
■	421	359	480	**Holiday Inns (Dec)**	1,227,352	1,112,645	576,882	55,885
■	■	357	446	**Homestake Mining (Dec)**	256,995	220,219	583,907	61,398
195	106	77	91	**Honeywell (Dec)**	3,339,600	4,209,500	1,850,648	240,000
■	353	■	■	**George A Hormel (Oct)**	319,779	1,414,016	164,503	30,612
■	■	236	485	**Hospital Corp of America (Dec)**	1,074,537	900,004	865,837	55,000

■ Not on 500 list.
‡Assets as of 11/24/79.

[10] Formerly General Cable.

A ROSTER OF THE U.S.'s BIGGEST CORPORATIONS

Cash Flow ($000)	SHARE DATA: 1979 Shares Outstanding (000)	Where Traded	Ticker Symbol	Earnings Before Extraordinary Items	Dividends	Market Price (Dec. 31)	Corporate Headquarters	Number of Employees (000)	Chief Executive
105,973	23,818	NYSE	GSX	3.52	1.00	37⅝	Stamford, Conn	26.2	**Nathan R Owen**
2,037,521	147,588	NYSE	GTE	4.20	2.54	28¼	Stamford, Conn	226.8	**Theodore F Brophy**
117,035	23,652	NYSE	GY	3.44	1.46	20⅞	Akron, Ohio	42.2	**Michael G O'Neil**
23,533	12,621	NYSE	GCO	0.22	none	4	Nashville, Tenn	26.5	**John L Hanigan**
70,669	27,562	NYSE	GPC	2.24	0.84	23⅝	Atlanta, Ga	12.1	**Wilton D Looney**
610,000	98,607	NYSE	GP	3.12	1.13	26⅜	Portland, Ore	44.0	**Robert E Flowerree**
1,235,441	82,154	NYSE	GET	7.34	1.40	73¾	Los Angeles, Cal	14.6	**Harold E Berg**
40,181	4,862	ASE	GFS A	3.64	0.97	17¾	Washington, DC	12.5	**Israel Cohen**
199,191	13,969	NYSE	GFC	2.12	0.60	11¼	Beverly Hills, Cal	1.2	**Herbert J Young**
178,788	30,171	NYSE	GS	3.67	1.66	26⅜	Boston, Mass	33.9	**Colman M Mockler Jr**
47,697	5,176	OTC	GIRA	6.08	1.86	24¾	Bala Cynwyd, Pa	3.4	**William B Eagleson Jr**
54,407	11,474	NYSE	GK	4.75	1.15	24⅛	Greenwich, Conn	25.0	**Robert P Jensen**
47,852	14,035	NYSE	GDW	2.61	0.51	16	Oakland, Cal	1.1	**Herbert M Sandler**
190,980	16,434	NYSE	GR	4.89	1.44	19⅝	Akron, Ohio	42.2	**John D Ong**
427,266	71,681	NYSE	GT	2.02	1.30	12⅞	Akron, Ohio	150.3	**Charles J Pilliod Jr**
160,788	27,953	NYSE	GLD	3.78	1.66	23¼	Rolling Meadows, Ill	36.4	**William T Ylvisaker**
430,490	45,001	NYSE	GRA	5.02	1.98	40½	New York, NY	82.1	**J Peter Grace**
54,355	14,104	NYSE	GWW	3.41	0.88	37⅜	Skokie, Ill	6.0	**David W Grainger**
NA	24,892	NYSE	GAP	–0.15	none	8⅝	Montvale, NJ	65.0	**Jonathan L Scott**
160,500	15,974	NYSE	GNN	5.65	1.45	32⅜	Stamford, Conn	12.5	**Robert Hellendale**
101,821	22,436	NYSE	GWF	4.15	0.84	22	Beverly Hills, Cal	2.2	**James F Montgomery**
180,984	43,966	NYSE	G	2.80	1.04	14⅜	Phoenix, Ariz	52.3	**Gerald H Trautman**
41,617	8,727	NYSE	GQ	2.06	1.20	22	Bethpage, NY	28.0	**John C Bierwirth**
339,800	55,095	NYSE	GW	3.70	0.59	14⅞	New York, NY	127.2	**Charles G Bluhdorn**
2,762,000	195,051	NYSE	GO	6.78	2.06	34⅝	Pittsburgh, Pa	57.6	**Jerry McAfee**
165,165	42,722	NYSE	GSU	1.74	1.36	11	Beaumont, Tex	4.1	**W Donham Crawford**
160,363	23,125	NYSE	GHC	2.48	0.94	21¼	Jacksonville, Fla	7.7	**E Grant Fitts**
562,088	58,813	NYSE	HAL	6.42	1.85	85	Dallas, Tex	112.1	**John P Harbin**
70,038	7,584	NYSE	HML	4.47	1.43	21	Erie, Pa	12.2	**Albert F Duval**
27,852	8,906	NYSE	HNM	6.14	1.85	37	Cleveland, Ohio	4.5	**Robert F Anderson**
44,207	6,798	NYSE	HBC	4.65	1.83	26½	Chicago, Ill	3.8	**Charles M Bliss**
100,844	26,265	NYSE	HRS	2.45	0.66	32⅞	Melbourne, Fla	19.4	**Joseph A Boyd**
92,318	10,067	NYSE	HSC	5.27	1.80	31¼	Wormleysburg, Pa	16.2	**Jeffrey J Burdge**
17,527	2,821	OTC	HNAT	3.29	1.30	15	Hartford, Conn	2.7	**Robert L Newell**
183,509	22,394	NYSE	HNZ	4.80	2.05	40½	Pittsburgh, Pa	41.1	**Anthony J F O'Reilly**
95,933	11,760	NYSE	HLR	3.40	1.15	22⅞	Chicago, Ill	4.6	**Franklin A Cole**
54,218	12,612	NYSE	HP	2.63	0.27	41⅞	Tulsa, Okla	1.2	**Walter H Helmerich III**
289,082	42,383	NYSE	HPC	3.89	1.08	20⅜	Wilmington, Del	24.4	**Alexander F Giacco**
86,355	14,159	NYSE	HSY	3.78	1.35	24⅝	Hershey, Pa	11.7	**William E C Dearden**
98,369	21,311	NYSE	HBL	3.19	1.52	29¾	Farmington, Conn	24.9	**Stuart D Watson**
302,000	59,189	NYSE	HWP	3.43	0.35	59⅛	Palo Alto, Cal	52.0	**John A Young**
120,922	26,050	NYSE	HLT	3.76	1.09	31⅝	Beverly Hills, Cal	31.0	**Barron Hilton**
217,895	32,049	NYSE	HIA	1.76	0.64	18	Memphis, Tenn	39.3	**Roy E Winegardner**
53,849	11,338	NYSE	HM	5.41	2.00	51½	San Francisco, Cal	2.4	**Harry M Conger**
501,600	22,230	NYSE	HON	10.95	2.40	83¼	Minneapolis, Minn	94.6	**Edson W Spencer**
43,989	9,606	ASE	HRL	3.19	0.74	17⅛	Austin, Minn	8.4	**Ira J Holton**
123,085	19,457	NYSE	HSP	3.05	0.48	44½	Nashville, Tenn	40.0	**Donald S MacNaughton**

All share data adjusted for stock splits and stock dividends through May 12, 1980.
NA Not Available

THE DIMENSIONS OF AMERICAN BUSINESS:

WHERE THEY RANK: 1979								
Assets	Sales	Market Value	Net Profits	Company (fiscal year end)	Assets ($000)	Sales ($000)	Market Value of Common ($000)	Net Profits ($000)
474	■	■	■	**Hospital Trust (Dec)**	1,541,377	141,795	41,000	9,922
79	69	245	174	**††Household Finance (Dec)**	6,728,600	5,310,700	839,151	161,200
165	282	179	171	**Houston Industries (Dec)**	3,834,697	1,854,159	1,047,102	161,846
454	290	111	205	**Houston Natural Gas (July)**	1,663,159	1,797,835	1,553,288	138,620
■	■	313	420	**Houston Oil & Minerals (Dec)**	945,639	351,594	663,822	65,651
■	■	378	■	**Howard Johnson (Dec)**	486,412	577,725	548,584	34,250
■	■	191	337	**Hughes Tool (Dec)**	981,683	804,561	997,932	84,552
■	489	365	■	**Humana (Aug)**	1,190,099	926,654	566,766	40,887
279	■	■	■	**Huntington Bancshares (Dec)**	2,553,241	235,357	92,790	20,596
196	■	■	■	**E F Hutton Group (Dec)**	3,315,842	750,267	141,786	37,275
■	■	■	432	**Hyster (Jan)**	443,949	683,289	270,327	63,105
179	124	■	281	**IC Industries (Dec)**	3,617,800	3,734,600	392,634	106,300
451	■	■	■	**Idaho First National Bank (Dec)**	1,668,664	152,339	129,073	19,014
■	■	■	447	**Ideal Basic Industries (Dec)**	671,461	435,253	307,586	60,900
332	■	368	315	**Illinois Power (Dec)**	2,214,652	751,822	563,958	91,335
83	■	■	381	**Imperial Corp of America (Dec)**	6,520,823	583,152	361,998	74,180
59	89	142	89	**INA (Dec)**	8,987,035	4,551,372	1,254,434	244,556
339	■	■	■	**Indiana National (Dec)**	2,130,411	211,358	55,620	11,350
203	■	■	■	**Industrial National (Dec)**	3,224,684	329,022	106,825	24,320
389	■	■	■	**Industrial Valley Bank & Trust (Dec)**	1,892,863	182,256	52,180	11,258
340	200	199	192	**Ingersoll-Rand (Dec)**	2,128,410	2,542,105	986,232	149,342
255	128	320	226	**Inland Steel (Dec)**	2,725,473	3,635,225	655,871	131,108
■	■	127	367	**Intel (Dec)**	500,093	662,996	1,396,710	77,804
■	260	374	278	**Interco (Feb)**	1,239,036	2,024,307	554,385	106,706
■	423	■	■	**Interlake (Dec)**	733,559	1,104,588	148,574	39,735
20	10	1	3	**International Business Machines (Dec)**	24,529,974	22,862,776	37,568,928	3,011,259
■	■	282	444	**International Flavors & Fragrances (Dec)**	387,807	409,299	718,766	61,472
113	37	150	52	**International Harvester (Oct)**	5,247,475	8,392,042	1,203,720	369,562
476	342	183	245	**International Minerals & Chemical (June)**	1,537,600	1,474,700	1,041,008	120,800
■	486	■	■	**International Multifoods (Feb)**	387,421	930,968	144,630	24,458
134	90	87	36	**International Paper (Dec)**	4,843,461	4,533,300	1,785,879	525,300
18	12	48	49	**††International Tel & Tel (Dec)**	26,178,202	21,996,023	2,952,390	382,401
249	204	138	138	**[11]InterNorth (Dec)**	2,785,998	2,499,202	1,301,216	185,538
■	103	■	■	**Iowa Beef Processors (Oct)**	416,789	4,216,370	227,245	42,747
30	377	■	408	**[12]Irving Bank (Dec)**	16,702,433	1,304,490	290,734	68,339
329	191	■	415	**IU International (Dec)**	2,229,494	2,619,056	360,406	67,020
247	■	319	295	**Jefferson-Pilot (Dec)**	2,790,174	752,716	658,080	99,121
■	121	■	■	**Jewel Companies (Jan)**	1,012,367	3,764,266	293,580	50,686
356	273	409	298	**Jim Walter (Aug)**	2,049,460	1,931,682	496,121	97,979
313	234	383	255	**Johns-Manville (Dec)**	2,324,380	2,283,330	538,325	114,606
234	105	27	56	**Johnson & Johnson (Dec)**	2,873,954	4,211,571	4,851,051	352,060
■	450	484	■	**Johnson Controls (Sept)**	702,797	1,024,448	408,753	49,920
■	■	496	■	**Joy Manufacturing (Sept)**	676,246	781,623	398,952	49,683
99	19	50	55	**K mart (Jan)**	5,642,439	12,858,585	2,917,379	357,999
222	166	261	98	**Kaiser Aluminum & Chemical (Dec)**	2,975,200	2,926,500	791,791	232,200
■	467	■	■	**Kaiser Steel (Dec)**	1,141,273	975,247	189,243	48,489
412	■	408	■	**††Kaneb Services (Dec)**	1,812,863	525,693	498,066	48,832

■ Not on 500 list.

††Figures include unconsolidated subsidiaries.

[11] Formerly Northern Natural Gas.

[12] Formerly Charter New York.

A ROSTER OF THE U.S.'s BIGGEST CORPORATIONS

	SHARE DATA: 1979								
Cash Flow ($000)	Shares Outstanding (000)	Where Traded	Ticker Symbol	Earnings Before Extraordinary Items	Dividends	Market Price (Dec. 31)	Corporate Headquarters	Number of Employees (000)	Chief Executive
18,285	2,000	OTC	HTCO	4.96	2.12	20½	Providence, RI	1.8	**Henry S Woodbridge Jr**
436,100	46,298	NYSE	HFC	3.33	1.48	18⅛	Prospect Heights, Ill	77.0	**Gilbert R Ellis**
324,433	35,952	NYSE	HOU	4.84	2.36	29⅛	Houston, Tex	8.0	**Don D Jordan**
228,550	38,591	NYSE	HNG	3.57	1.05	40¼	Houston, Tex	11.6	**Robert R Herring**
211,194	29,179	ASE	HOI	2.07	0.80	22¾	Houston, Tex	1.2	**F Fox Benton Jr**
74,071	22,165	NYSE	HJ	1.55	0.44	24¾	Boston, Mass	27.6	**Howard B Johnson**
133,023	19,191	NYSE	HT	3.88	0.73	52	Houston, Tex	13.2	**James R Lesch**
110,447	17,992	NYSE	HUM	1.97	0.52	31⅝	Louisville, Ky	35.9	**David A Jones**
31,926	3,119	OTC	HBAN	6.79	1.67	29½	Columbus, Ohio	2.9	**Arthur D Herrmann**
76,059	8,056	NYSE	EFH	4.53	0.62	17⅝	New York, NY	8.6	**Robert M Fomon**
75,924	6,024	OTC	HYST	10.48	2.63	44⅞	Portland, Ore	8.4	**William H Kilkenny**
283,800	15,864	NYSE	ICX	5.24	1.76	24¾	Chicago, Ill	65.0	**William B Johnson**
24,376	5,855	OTC	IDNB	3.25	0.80	22⅛	Boise, Ida	2.1	**Thomas C Frye**
97,744	13,301	NYSE	IDL	4.57	1.60	23⅛	Denver, Colo	4.1	**John A Love**
149,634	29,488	NYSE	IPC	2.70	2.28	19⅛	Decatur, Ill	3.9	**Wendell J Kelley**
81,023	14,196	NYSE	ICA	5.24	1.10	25½	San Diego, Cal	1.5	**G Kenneth Handley**
724,660	38,109	NYSE	INA	6.34	1.93	32⅞	Philadelphia, Pa	35.3	**Ralph S Saul**
20,952	4,944	OTC	INAT	2.30	0.50	11¼	Indianapolis, Ind	2.2	**Thomas W Binford**
44,813	6,061	NYSE	INB	3.92	1.44	17⅝	Providence, RI	3.4	**John J Cummings Jr**
14,624	2,609	OTC	IBKT	4.32	2.20	20	Jenkintown, Pa	1.9	**Joseph A Gallagher**
219,683	18,966	NYSE	IR	7.51	3.16	52	Woodcliff Lake, NJ	47.5	**William L Wearly**
283,177	20,739	NYSE	IAD	6.27	2.80	31⅝	Chicago, Ill	37.3	**Frederick G Jaicks**
124,961	20,692	OTC	INTC	3.59	none	67½	Santa Clara, Cal	14.3	**Gordon E Moore**
133,069	14,215	NYSE	ISS	7.35	2.30	39	St Louis, Mo	50.0	**William L Edwards Jr**
70,163	6,003	NYSE	IK	6.66	2.20	24¾	Oak Brook, Ill	13.2	**Reynold C MacDonald**
6,112,755	583,595	NYSE	IBM	5.16	3.44	64⅜	Armonk, NY	337.1	**Frank T Cary**
73,874	36,625	NYSE	IFF	1.68	0.74	19⅝	New York, NY	3.6	**Henry G Walter Jr**
554,686	30,766	NYSE	HR	12.01	2.35	39⅛	Chicago, Ill	162.1	**Archie R McCardell**
223,600	26,981	NYSE	IGL	4.48	1.93	38⅝	Northbrook, Ill	10.3	**Richard A Lenon**
37,150	8,035	NYSE	IMC	3.06	1.15	18	Minneapolis, Minn	8.0	**William G Phillips**
577,800	48,267	NYSE	IP	10.96	2.20	37	New York, NY	49.4	**Edwin A Gee**
2,974,477	115,780	NYSE	ITT	2.66	2.20	25½	New York, NY	368.0	**Rand V Araskog**
404,775	44,486	NYSE	INI	4.09	1.40	29¼	Omaha, Neb	10.0	**Sam F Segnar**
58,060	9,670	NYSE	IBP	4.28	0.52	23½	Dakota City, Neb	10.0	**J Fred Haigler**
80,395	8,551	NYSE	V	7.77	2.44	34	New York, NY	8.7	**Gordon T Wallis**
167,095	32,396	NYSE	IU	1.88	0.95	11⅛	Philadelphia, Pa	40.0	**John M Seabrook**
192,855	21,936	NYSE	JP	4.43	1.16	30	Greensboro, NC	6.2	**W Roger Soles**
103,423	11,184	NYSE	JWL	4.54	1.62	26¼	Chicago, Ill	33.4	**Weston R Christopherson**
85,425	16,134	NYSE	JWC	5.65	1.70	30¾	Tampa, Fla	25.2	**James W Walter**
234,669	22,314	NYSE	JM	4.13	1.89	24⅛	Denver, Colo	32.5	**John A McKinney**
511,206	61,212	NYSE	JNJ	5.76	2.00	79¼	New Brunswick, NJ	71.8	**James E Burke**
71,608	12,925	NYSE	JCI	3.58	1.13	31⅝	Milwaukee, Wisc	24.3	**Fred L Brengel**
68,037	13,027	NYSE	JOY	3.82	1.68	30⅝	Pittsburgh, Pa	12.7	**James W Wilcock**
522,786	122,837	NYSE	KM	2.84	0.81	23¾	Troy, Mich	243.0	**Bernard M Fauber**
251,200	41,132	NYSE	KLU	5.66	1.10	19¼	Oakland, Cal	26.8	**Cornell C Maier**
94,404	7,009	NYSE	KSC	6.79	1.13	27	Oakland, Cal	12.7	**Edgar F Kaiser Jr**
95,147	21,538	NYSE	KAB	2.17	0.73	23⅛	Houston, Tex	6.4	**James R Whatley**

All share data adjusted for stock splits and stock dividends through May 12, 1980.

THE DIMENSIONS OF AMERICAN BUSINESS:

WHERE THEY RANK: 1979								
Assets	Sales	Market Value	Net Profits	Company (fiscal year end)	Assets ($000)	Sales ($000)	Market Value of Common ($000)	Net Profits ($000)
■	284	122	169	**Kellogg (Dec)**	1,049,800	1,846,600	1,442,597	162,600
328	387	■	345	**Kemper (Dec)**	2,241,901	1,246,674	358,091	83,242
250	213	180	227	**Kennecott Copper (Dec)**	2,784,935	2,433,637	1,044,509	130,402
312	186	92	176	**Kerr-McGee (Dec)**	2,339,165	2,683,469	1,753,167	160,017
373	■	■	■	**Key Banks (Dec)**	1,957,296	168,990	62,169	16,247
475	233	■	342	**Walter Kidde (Dec)**	1,541,254	2,284,146	348,234	84,100
345	241	207	69	**Kimberly-Clark (Dec)**	2,105,000	2,218,400	953,713	314,400
■	465	243	325	**Knight-Ridder Newspapers (Dec)**	742,373	979,919	839,878	88,360
■	286	281	330	**Koppers (Dec)**	1,138,119	1,828,268	720,846	86,471
283	59	133	137	**Kraft (Dec)**	2,523,300	6,432,900	1,334,087	188,100
424	36	393	334	**Kroger (Dec)**	1,776,111	9,029,315	524,628	85,721
■	372	■	431	**Lear Siegler (June)**	713,968	1,327,271	348,105	63,276
■	483	■	■	**Leaseway Transportation (Dec)**	785,686	937,221	265,300	42,915
■	248	115	133	**Levi Strauss (Nov)**	1,291,119	2,103,109	1,502,724	191,454
■	398	■	464	**Libbey-Owens-Ford (Dec)**	844,676	1,208,061	268,811	58,078
500	■	■	■	**Liberty National (Dec)**	1,442,391	120,287	41,976	8,395
376	■	■	451	**Liberty National Life Insurance (Dec)**	1,947,478	407,199	392,424	60,512
■	478	■	495	**Liggett Group (Dec)**	749,821	946,284	320,568	53,890
336	242	30	65	**Eli Lilly (Dec)**	2,179,132	2,205,764	4,356,193	329,531
207	■	■	■	**Lincoln First Banks (Dec)**	3,180,366	301,592	71,578	17,738
69	210	227	177	**Lincoln National (Dec)**	7,770,900	2,445,099	904,969	159,492
239	108	112	135	**Litton Industries (July)**	2,854,298	4,087,809	1,548,209	188,887
343	110	493	■	**Lockheed (Dec)**	2,112,900	4,057,600	405,893	36,500
62	118	279	143	**Loews (Dec)**	8,842,683	3,830,576	725,412	181,972
■	■	■	423	**Lone Star Industries (Dec)**	739,273	792,508	298,215	64,741
185	444	231	173	**Long Island Lighting (Dec)**	3,459,582	1,045,498	880,761	161,663
■	■	89	163	**Louisiana Land & Exploration (Dec)**	1,027,796	791,342	1,756,529	169,044
■	379	325	280	**Louisiana-Pacific (Dec)**	1,101,450	1,301,910	642,357	106,400
■	499	■	■	**Lowe's Companies (Jan)**	299,899	904,651	236,024	24,955
163	41	■	188	**LTV (Dec)**	3,864,757	7,996,809	207,520	152,104
■	■	168	317	**Lubrizol (Dec)**	519,942	741,518	1,095,609	90,775
■	65	269	297	**Lucky Stores (Jan)**	1,221,547	5,815,927	768,469	98,094
■	251	366	377	**R H Macy (July)**	1,197,281	2,058,048	566,532	76,425
■	316	■	■	**Malone & Hyde (June)**	254,199	1,615,838	218,689	21,267
7	116	184	112	**Manufacturers Hanover (Dec)**	47,675,446	3,846,622	1,034,688	211,605
139	■	■	■	**Manufacturers National (Dec)**	4,525,758	405,402	125,037	32,502
■	■	302	391	**MAPCO (Dec)**	875,946	857,912	689,429	72,113
146	57	47	74	**Marathon Oil (Dec)**	4,321,133	6,680,597	3,029,200	295,262
443	■	■	■	**Marine (Dec)**	1,716,172	151,686	50,409	11,157
34	354	■	■	**Marine Midland Banks (Dec)**	15,728,156	1,412,454	234,056	39,848
■	335	367	396	**Marriott (Dec)**	1,080,365	1,509,957	565,727	71,000
■	■	200	354	**Marsh & McLennan Companies (Dec)**	390,706	530,551	980,465	82,246
361	■	■	■	**Marshall & Ilsley (Dec)**	2,012,990	179,578	74,603	16,954
425	250	156	153	**Martin Marietta (Dec)**	1,773,577	2,060,843	1,155,711	178,000
168	■	■	■	**Maryland National (Dec)**	3,731,851	328,858	114,560	24,870
■	■	335	385	**Masco (Dec)**	754,604	726,430	626,204	73,060
344	164	299	257	**May Department Stores (Jan)**	2,106,936	2,977,190	695,304	114,047

■ Not on 500 list

A ROSTER OF THE U.S.'s BIGGEST CORPORATIONS

Cash Flow ($000)	SHARE DATA: 1979 Shares Outstanding (000)	Where Traded	Ticker Symbol	Earnings Before Extraordinary Items	Dividends	Market Price (Dec. 31)	Corporate Headquarters	Number of Employees (000)	Chief Executive
215,300	76,429	NYSE	K	2.13	1.29	18⅞	Battle Creek, Mich	20.8	**William E LaMothe**
415,480	12,401	OTC	KEMC	6.82	1.20	28⅞	Long Grove, Ill	10.6	**Joseph E Luecke**
236,819	33,159	NYSE	KN	3.93	1.05	31½	Stamford, Conn	36.2	**Thomas D Barrow**
379,465	25,877	NYSE	KMG	6.18	1.48	67¾	Oklahoma City, Okla	10.8	**Dean A McGee**
22,099	4,876	OTC	KEYB	3.03	1.20	12¾	Albany, NY	2.5	**Victor J Riley Jr**
118,310	9,775	NYSE	KDE	7.85	1.65	35⅝	Clifton, NJ	50.0	**Fred R Sullivan**
357,900	23,404	NYSE	KMB	13.43	2.81	40⅝	Neenah, Wisc	30.8	**Darwin E Smith**
122,469	32,303	NYSE	KRN	2.69	0.65	26	Miami, Fla	15.0	**Alvah H Chapman Jr**
158,043	26,698	NYSE	KOP	3.27	1.25	27	Pittsburgh, Pa	21.1	**Fletcher L Byrom**
307,200	27,939	NYSE	KRA	6.71	3.00	47¾	Glenview, Ill	47.4	**John M Richman**
173,270	27,612	NYSE	KR	3.13	1.26	19	Cincinnati, Ohio	30.0	**Lyle Everingham**
89,574	15,135	NYSE	LSI	4.50	0.98	23	Santa Monica, Cal	25.1	**Robert T Campion**
212,856	11,857	NYSE	LTC	3.62	1.20	22⅝	Cleveland, Ohio	17.6	**Robert A Burgin**
217,264	41,312	NYSE	LVI	4.58	0.93	36⅝	San Francisco, Cal	44.7	**Peter E Haas**
97,722	11,085	NYSE	LOF	4.80	2.30	24¼	Toledo, Ohio	19.9	**Don T McKone**
12,144	1,696	OTC	LIBN	4.41	1.30	24¾	Oklahoma City, Okla	0.8	**John W McLean**
187,557	18,912	OTC	LNAT	3.19	1.05	20⅝	Birmingham, Ala	4.8	**Frank P Samford Jr**
85,202	8,436	NYSE	LGT	6.23	2.50	38	Montvale, NJ	8.3	**Raymond J Mulligan**
388,656	72,907	NYSE	LLY	4.52	1.95	59¾	Indianapolis, Ind	26.5	**Richard D Wood**
32,914	3,217	OTC	LFBK	4.86	1.94	22¼	Rochester, NY	3.3	**Alexander D Hargrave**
958,016	20,685	NYSE	LNC	6.85	2.70	43¾	Fort Wayne, Ind	16.6	**Ian M Rolland**
315,308	36,644	NYSE	LIT	4.77	0.25	42¼	Beverly Hills, Cal	77.7	**Charles B Thornton**
121,600	11,765	NYSE	LK	2.16	none	34½	Burbank, Cal	66.5	**Roy A Anderson**
727,202	11,892	NYSE	LTR	15.87	1.20	61	New York, NY	29.4	**Laurence A Tisch**
94,811	10,418	NYSE	LCE	5.95	1.40	28⅜	Greenwich, Conn	7.8	**James E Stewart**
146,520	60,223	NYSE	LIL	2.41	1.74	14⅝	Mineola, NY	5.6	**Charles R Pierce**
357,438	37,979	NYSE	LLX	4.45	1.38	46¼	New Orleans, La	2.7	**John G Phillips**
215,210	29,736	NYSE	LPX	3.57	0.58	21⅝	Portland, Ore	17.0	**Harry A Merlo**
35,019	13,022	NYSE	LOW	1.92	0.48	18⅜	No Wilkesboro, NC	5.8	**Leonard G Herring**
306,667	25,940	NYSE	LTV	5.23	none	8	Dallas, Tex	68.1	**W Paul Thayer**
112,717	19,875	NYSE	LZ	4.66	1.60	55⅜	Wickliffe, Ohio	3.9	**Lester E Coleman**
178,141	49,182	NYSE	LKS	2.01	0.96	15⅝	Dublin, Cal	63.0	**S Donley Ritchey**
124,648	15,737	NYSE	MZ	4.85	1.17	36	New York, NY	44.0	**Donald B Smiley**
30,677	7,541	NYSE	MHI	2.88	1.00	29	Memphis, Tenn	6.7	**Joseph R Hyde III**
345,290	33,243	NYSE	MHC	6.42	2.28	31⅛	New York, NY	21.2	**John F McGillicuddy**
46,556	5,052	OTC	MNTL	6.46	2.10	24¾	Detroit, Mich	3.7	**Dean E Richardson**
135,108	18,824	NYSE	MDA	3.83	1.40	36⅝	Tulsa, Okla	3.7	**Willis H Thompson Jr**
653,731	60,584	NYSE	MRO	4.88	1.40	50	Findlay, Ohio	14.1	**Harold D Hoopman**
16,996	1,867	OTC	MCRP	5.97	1.60	27	Milwaukee, Wisc	2.0	**George R Slater**
91,500	12,483	NYSE	MM	3.18	0.80	18¾	Buffalo, NY	10.0	**Edward W Duffy**
140,934	32,098	NYSE	MHS	1.96	0.16	17⅝	Washington, DC	65.7	**J Willard Marriott Jr**
86,504	13,932	NYSE	MMC	5.90	3.20	70⅝	New York, NY	10.4	**John M Regan Jr**
24,304	3,430	OTC	MRIS	4.91	1.50	21¾	Milwaukee, Wisc	2.0	**John A Puelicher**
266,810	24,854	NYSE	ML	7.10	1.98	46½	Bethesda, Md	30.2	**J Donald Rauth**
33,615	7,160	OTC	MDNT	3.49	0.82	16	Baltimore, Md	4.5	**Robert D H Harvey**
94,352	24,557	NYSE	MAS	2.80	0.58	25½	Taylor, Mich	8.7	**Richard A Manoogian**
197,950	28,971	NYSE	MA	3.93	1.37	24	St Louis, Mo	71.2	**David C Farrell**

All share data adjusted for stock splits and stock dividends through May 12, 1980.

THE DIMENSIONS OF AMERICAN BUSINESS:

WHERE THEY RANK: 1979								
Assets	Sales	Market Value	Net Profits	Company (fiscal year end)	Assets ($000)	Sales ($000)	Market Value of Common ($000)	Net Profits ($000)
■	357	■	■	**Oscar Mayer (Oct)**	485,004	1,396,691	305,422	42,293
324	362	139	204	**††MCA (Dec)**	2,277,224	1,353,699	1,278,679	138,988
197	156	254	313	**J Ray McDermott (Mar)**	3,300,942	3,144,564	808,050	92,957
308	276	93	136	**McDonald's (Dec)**	2,354,006	1,911,853	1,743,632	188,608
194	72	131	125	**McDonnell Douglas (Dec)**	3,380,604	5,278,531	1,368,933	199,103
380	371	468	386	**McGraw-Edison (Dec)**	1,924,386	1,330,869	426,830	72,732
■	■	294	374	**McGraw-Hill (Dec)**	743,147	879,886	699,784	76,897
461	197	324	202	**Mead (Dec)**	1,636,477	2,569,517	642,584	140,975
■	■	388	■	**Medtronic (Apr)**	205,670	224,067	530,817	23,472
38	411	381	306	**Mellon National (Dec)**	13,507,677	1,147,903	544,094	96,362
■	261	304	289	**Melville (Dec)**	773,357	2,022,770	688,133	101,174
145	■	■	■	**Mercantile Bancorporation (Dec)**	4,327,304	381,359	146,638	32,247
■	435	■	■	**Mercantile Stores (Jan)**	586,741	1,067,937	224,048	42,749
137	■	■	■	**Mercantile Texas (Dec)**	4,708,544	429,326	268,832	39,389
423	■	■	■	**Merchants National (Dec)**	1,781,795	176,882	53,633	12,186
274	220	23	50	**Merck (Dec)**	2,614,064	2,384,627	5,439,052	381,776
46	254	295	250	**Merrill Lynch (Dec)**	10,556,100	2,051,996	699,622	118,743
■	■	205	77	**Mesa Petroleum (Dec)**	1,145,303	252,407	963,990	285,622
■	■	301	442	**Metro-Goldwyn-Mayer (Aug)**	560,260	491,270	691,139	61,601
■	437	■	■	**Fred Meyer (Dec)**	406,737	1,060,203	195,151	22,380
■	■	340	376	**MGIC Investment (Dec)**	999,145	260,356	617,155	76,653
108	■	■	■	**Michigan National (Dec)**	5,399,222	510,695	177,774	44,166
84	287	157	142	**Middle South Utilities (Dec)**	6,503,068	1,823,059	1,141,717	182,058
233	■	■	■	**Midlantic Banks (Dec)**	2,880,466	248,442	78,416	24,616
138	68	19	23	**Minnesota Mining & Manufacturing (Dec)**	4,574,888	5,440,370	5,894,124	655,211
300	267	259	145	**Missouri Pacific (Dec)**	2,411,078	1,981,536	795,799	180,157
■	■	352	445	**Mitchell Energy & Development (Jan)**	786,923	457,549	594,628	61,466
16	4	7	5	**Mobil (Dec)**	27,505,756	44,720,908	11,672,595	2,007,158
105	61	68	64	**Monsanto (Dec)**	5,539,100	6,192,600	2,148,348	331,000
8	129	86	75	**J P Morgan (Dec)**	43,487,679	3,634,011	1,788,349	288,127
■	360	■	■	**Morrison-Knudsen (Dec)**	625,686	1,365,914	147,362	25,454
■	■	448	■	**Morton-Norwich (June)**	587,094	731,984	444,477	46,088
387	183	107	182	**Motorola (Dec)**	1,903,496	2,713,795	1,592,953	154,296
392	325	178	284	**Murphy Oil (Dec)**	1,877,419	1,568,929	1,056,210	103,581
■	224	289	292	**Nabisco (Dec)**	1,296,714	2,362,045	704,353	99,776
■	■	305	430	**Nalco Chemical (Dec)**	368,074	578,908	685,791	63,277
■	364	■	■	**††National Can (Dec)**	607,851	1,347,221	194,898	46,552
434	■	■	■	**National Central Financial (Dec)**	1,753,822	162,099	78,680	16,096
128	■	■	■	**National City (Dec)**	4,971,998	394,060	337,554	48,518
51	■	■	380	**National Detroit (Dec)**	9,506,400	812,279	359,605	75,604
452	296	229	213	**National Distillers & Chemical (Dec)**	1,664,507	1,772,584	900,249	135,753
■	■	■	360	**National Gypsum (Dec)**	767,905	853,614	363,484	80,268
■	■	433	■	**National Semiconductor (May)**	385,252	719,740	461,660	34,262
209	102	404	232	**National Steel (Dec)**	3,160,279	4,234,458	503,898	126,466
■	443	■	■	**National Tea (Dec)**	251,178	1,045,696	42,500	7,992
319	■	■	■	**Nationwide (Dec)**	2,303,675	606,328	169,488	35,832
■	469	296	271	**Natomas (Dec)**	1,390,471	967,192	698,896	110,788

■ Not on 500 list

††Figures include unconsolidated subsidiaries

A ROSTER OF THE U.S.'s BIGGEST CORPORATIONS

	SHARE DATA: 1979								
Cash Flow ($000)	Shares Outstanding (000)	Where Traded	Ticker Symbol	Earnings Before Extraordinary Items	Dividends	Market Price (Dec 31)	Corporate Headquarters	Number of Employees (000)	Chief Executive
65,713	14,631	NYSE	OMC	2.90	1.00	20⅞	Madison, Wisc	14.5	**Jerry M Hiegal**
209,421	23,462	NYSE	MCA	5.95	1.28	54½	Universal City, Cal	18.7	**Lew R Wasserman**
321,191	32,322	NYSE	MDE	1.94	1.10	25	New Orleans, La	60.4	**James E Cunningham**
311,203	40,199	NYSE	MCD	4.68	0.51	43⅜	Oak Brook, Ill	110.0	**Fred L Turner**
282,789	37,505	NYSE	MD	5.06	0.71	36½	St Louis, Mo	82.7	**Sanford N McDonnell**
99,337	16,338	NYSE	MGR	4.44	1.80	26⅛	Elgin, Ill	38.0	**Edward J Williams**
98,000	24,662	NYSE	MHP	3.10	1.28	28⅜	New York, NY	14.4	**Harold W McGraw Jr**
164,429	25,963	NYSE	MEA	5.42	1.65	24¾	Dayton, Ohio	25.0	**James W McSwiney**
31,104	7,693	NYSE	MDT	3.08	0.54	69	Minneapolis, Minn	4.1	**Dale R Olseth**
134,281	19,607	OTC	MNBT	4.92	1.84	27¾	Pittsburgh, Pa	6.7	**James H Higgins**
150,029	25,023	NYSE	MES	4.04	1.40	27½	Harrison, NY	48.6	**Francis C Rooney Jr**
52,561	5,895	OTC	MTRC	5.48	2.32	24⅞	St Louis, Mo	3.2	**Donald E Lasater**
72,203	5,896	NYSE	MST	7.25	1.25	38	New York, NY	19.6	**Leon F Winbigler**
52,599	10,491	NYSE	MTD	3.77	1.18	25⅝	Dallas, Tex	3.4	**Gene H Bishop**
21,991	2,167	OTC	MCHN	5.62	1.35	24¾	Indianapolis, Ind	1.5	**Otto N Frenzel III**
476,973	75,281	NYSE	MRK	5.06	1.90	72¼	Rahway, NJ	30.8	**John J Horan**
176,045	36,344	NYSE	MER	3.26	0.92	19¼	New York, NY	26.9	**Donald T Regan**
465,416	32,608	NYSE	MSA	8.85	0.20	29⅝	Amarillo, Tex	0.6	**Thomas B Pickens Jr**
101,096	32,146	NYSE	MGM	1.91	0.57	21½	Culver City, Cal	9.6	**Frank E Rosenfelt**
42,399	6,872	OTC	MEYR	3.29	0.48	28½	Portland, Ore	13.0	**Oran B Robertson**
139,065	22,442	NYSE	MGI	3.36	1.00	27½	Milwaukee, Wisc	1.6	**Max H Karl**
58,290	9,235	OTC	MNCO	4.70	1.11	19¼	Bloomfield Hills, Mich	6.0	**Stanford C Stoddard**
67,274	90,433	NYSE	MSU	2.13	1.52	12⅞	New Orleans, La	12.0	**Floyd W Lewis**
38,855	2,704	OTC	MIDL	7.80	2.16	29	West Orange, NJ	3.2	**Robert Van Buren**
909,821	117,296	NYSE	MMM	5.59	2.40	50¼	St Paul, Minn	87.7	**Lewis W Lehr**
272,416	15,490	NYSE	MIS	11.68	2.95	51⅜	St Louis, Mo	22.6	**Downing B Jenks**
145,767	36,174	ASE	MND	1.70	0.07	16½	Houston, Tex	2.0	**George P Mitchell**
3,627,997	212,229	NYSE	MOB	9.46	2.55	55	New York, NY	213.5	**Rawleigh Warner Jr**
666,700	36,031	NYSE	MTC	9.11	3.35	59⅝	St Louis, Mo	63.9	**John W Hanley**
369,984	38,667	NYSE	JPM	7.07	2.50	46¼	New York, NY	10.8	**Lewis T Preston**
28,916	4,122	NYSE	MRN	6.05	1.38	35¼	Boise, Ida	28.5	**William H McMurren**
72,735	13,469	NYSE	MNP	3.40	1.34	33	Chicago, Ill	10.4	**John W Simmons**
265,290	31,158	NYSE	MOT	4.96	1.20	51⅛	Schaumburg, Ill	75.0	**Robert W Galvin**
414,897	12,426	NYSE	MUR	8.32	1.00	85	El Dorado, Ark	4.4	**Charles H Murphy Jr**
145,863	32,199	NYSE	NAB	3.10	1.50	21⅞	East Hanover, NJ	38.0	**Robert M Schaeberle**
82,997	19,878	NYSE	NLC	3.18	1.36	34½	Oak Brook, Ill	4.1	**Orell T Collins**
54,135	8,428	NYSE	NAC	4.81	0.72	23⅛	Chicago, Ill	11.4	**Frank W Considine**
23,712	4,496	OTC	NCFC	3.59	1.41	17½	Lancaster, Pa	1.8	**Wilson D McElhinny**
59,096	7,896	OTC	NCTY	6.15	2.50	42¾	Cleveland, Ohio	3.3	**Claude M Blair**
85,910	12,190	NYSE	NBD	6.24	1.94	29½	Detroit, Mich	6.5	**Robert M Surdam**
190,531	31,313	NYSE	DR	4.04	1.80	28¾	New York, NY	15.7	**Drummond C Bell**
118,221	16,522	NYSE	NG	4.87	1.32	22	Dallas, Tex	13.5	**Robert E Scifres**
64,602	20,000	NYSE	NSM	1.71	none	23⅛	Santa Clara, Cal	32.3	**Charles E Sporck**
280,431	19,015	NYSE	NS	6.56	2.60	26½	Pittsburgh, Pa	36.5	**Howard M Love**
28,642	10,000	NYSE	NTY	0.80	none	4⅛	Rosemont, Ill	12.0	**Valdyn W Schulz**
208,195	10,272	OTC	NWDCA	3.49	0.60	16½	Columbus, Ohio	1.8	**Dean W Jeffers**
243,846	23,104	NYSE	NOM	5.55	1.08	30¼	San Francisco, Cal	4.0	**Dorman L Commons**

All share data adjusted for stock splits and stock dividends through May 12, 1980

THE DIMENSIONS OF AMERICAN BUSINESS:

WHERE THEY RANK: 1979								
Assets	Sales	Market Value	Net Profits	Company (fiscal year end)	Assets ($000)	Sales ($000)	Market Value of Common ($000)	Net Profit ($000)
88	■	■	■	**NCNB (Dec)**	6,365,290	561,957	247,430	45,732
229	162	81	95	**NCR (Dec)**	2,918,435	3,002,640	1,815,389	234,602
384	■	424	384	**New England Electric System (Dec)**	1,911,719	889,250	475,400	73,493
295	■	■	■	**New England Merchants (Dec)**	2,451,088	241,740	54,735	16,990
437	■	479	328	**New York State Electric & Gas (Dec)**	1,737,523	588,211	411,516	87,389
■	■	192	149	**Newmont Mining (Dec)**	1,309,683	867,578	995,578	178,763
183	333	239	180	**Niagara Mohawk Power (Dec)**	3,528,937	1,516,503	857,894	156,030
445	326	349	329	**NICOR (Dec)**	1,710,350	1,561,720	598,768	87,378
471	288	159	335	**NL Industries (Dec)**	1,586,876	1,810,235	1,132,018	85,686
147	■	252	221	**NLT (Dec)**	4,153,221	791,679	814,369	133,312
■	■	315	■	**Noble Affiliates (Dec)**	341,212	205,288	659,837	33,041
244	347	241	126	**Norfolk & Western Railway System (Dec)**	2,819,126	1,449,167	850,037	198,596
■	217	■	356	**North American Philips (Dec)**	1,290,218	2,409,003	347,081	81,731
205	432	347	359	**Northeast Utilities (Dec)**	3,215,577	1,074,385	607,670	80,765
428	■	■	■	**Northern California Savings & Loan (Dec)**	1,759,658	166,814	79,459	17,012
314	401	419	375	**Northern Indiana Public Service (Dec)**	2,319,201	1,196,244	483,464	76,859
472	■	■	■	**Northern States Bancorp (Dec)**	1,583,987	148,402	17,228	1,476
272	442	306	246	**Northern States Power (Dec)**	2,619,858	1,048,176	685,592	120,678
111	■	■	■	**Northern Trust (Dec)**	5,357,545	489,407	159,600	26,497
■	320	356	320	**Northrop (Dec)**	990,377	1,582,477	584,510	90,312
478	376	350	389	**Northwest Airlines (Dec)**	1,528,921	1,310,558	597,805	72,475
39	412	317	279	**Northwest Bancorporation (Dec)**	12,415,823	1,145,178	659,226	106,642
■	420	■	■	**Northwest Energy (Dec)**	862,996	1,119,532	325,345	41,267
333	195	181	160	**Northwest Industries (Dec)**	2,196,700	2,579,900	1,042,728	172,200
449	■	■	■	**Northwestern Financial (Dec)**	1,688,049	164,450	51,004	13,271
■	418	382	361	**Norton (Dec)**	811,529	1,132,897	542,157	80,222
304	184	265	235	**Norton Simon (June)**	2,389,233	2,705,444	779,440	124,250
■	■	451	461	**NVF (Dec)**	1,249,971	644,888	438,091	58,565
104	29	75	30	**Occidental Petroleum (Dec)**	5,560,330	9,554,795	1,961,816	561,646
■	238	■	468	**Ogden (Dec)**	1,199,918	2,241,408	285,542	57,500
■	■	476	349	**Ohio Casualty (Dec)**	1,221,264	809,216	414,463	82,973
188	459	257	214	**Ohio Edison (Dec)**	3,446,454	994,585	797,444	134,807
457	■	494	■	**Oklahoma Gas & Electric (Dec)**	1,651,704	580,795	404,728	50,217
438	■	■	■	**Old Kent Financial (Dec)**	1,729,629	155,431	106,032	19,389
497	295	463	395	**Olin (Dec)**	1,461,073	1,778,102	431,208	71,150
■	■	445	418	**Overseas Shipholding Group (Dec)**	903,065	264,808	447,148	65,892
483	237	235	276	**Owens-Corning Fiberglas (Dec)**	1,501,612	2,245,164	868,965	109,266
230	133	360	220	**Owens-Illinois (Dec)**	2,910,208	3,528,829	576,194	133,454
■	279	437	248	**PACCAR (Dec)**	742,103	1,882,722	457,598	120,147
48	94	55	44	**Pacific Gas & Electric (Dec)**	10,310,763	4,372,220	2,613,444	458,234
301	243	380	298	**Pacific Lighting (Dec)**	2,403,359	2,200,182	545,993	97,979
■	■	362	■	**Pacific Lumber (Dec)**	229,892	258,434	571,758	48,812
211	■	307	262	**††Pacific Power & Light (Dec)**	3,128,787	802,760	683,982	112,511
265	■	■	■	**Paine Webber (Sept)**	2,671,922	506,837	48,919	13,801
264	206	467	379	**Pan American World Airways (Dec)**	2,676,720	2,484,709	427,128	76 128
271	269	162	194	**Panhandle Eastern Pipe Line (Dec)**	2,645,714	1,967,657	1,124,118	148,080
■	■	415	■	**Parker Drilling (Aug)**	387,213	304,804	485,137	35,967

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Cash Flow ($000)	Shares Outstanding (000)	Where Traded	Ticker Symbol	Earnings Before Extraordinary Items	Dividends	Market Price (Dec. 31)	Corporate Headquarters	Number of Employees (000)	Chief Executive
78,179	18,160	NYSE	NCB	2.53	0.62	13⅜	Charlotte, NC	4.7	**Thomas I Storrs**
348,318	26,215	NYSE	NCR	8.78	1.45	69¼	Dayton, Ohio	67.0	**William S Anderson**
152,860	21,487	NYSE	NES	3.45	2.17	22⅛	Westborough, Mass	5.3	**Guy W Nichols**
29,315	2,670	OTC	NEBK	6.00	1.64	20½	Boston, Mass	2.2	**Roderick M MacDougall**
118,317	26,128	NYSE	NGE	2.83	1.72	15¾	Binghamton, NY	4.2	**Charles F Kennedy**
238,554	25,125	NYSE	NEM	7.05	1.50	39⅝	New York, NY	11.1	**Plato Malozemoff**
225,299	67,952	NYSE	NMK	2.00	1.44	12⅝	Syracuse, NY	9.6	**John G Haehl Jr**
199,646	18,076	NYSE	GAS	4.77	2.49	33⅛	Naperville, Ill	2.5	**Clarence J Gauthier**
192,842	33,015	NYSE	NL	0.00	1.20	34½	New York, NY	23.0	**Ray C Adam**
305,846	34,654	NYSE	NLT	3.85	1.12	23½	Nashville, Tenn	13.5	**Russell L Wagner**
76,002	21,171	OTC	NOBL	1.57	0.10	31¼	Ardmore, Okla	1.8	**Roy Butler**
293,163	31,194	NYSE	NFK	6.36	1.88	27¼	Roanoke, Va	24.4	**John P Fishwick**
129,681	12,975	NYSE	NPH	6.28	1.60	26¾	New York, NY	37.4	**Pieter C Vink**
184,647	66,594	NYSE	NU	1.22	1.06	9⅛	Berlin, Conn	7.3	**Lelan F Sillin Jr**
20,581	5,045	NYSE	NCX	3.40	0.70	15¾	Palo Alto, Cal	0.8	**Firmin A Gryp**
151,412	35,161	NYSE	NI	1.86	1.50	13¾	Hammond, Ind	6.0	**Edmund A Schroer**
8,277	2,849	OTC	NSBC	0.37	0.28	6⅛	Detroit, Mich	1.8	**Robert D Krestel**
331,556	30,641	NYSE	NSP	3.51	2.22	22⅝	Minneapolis, Minn	7.0	**Donald W McCarthy**
33,915	4,800	OTC	NTRS	5.52	2.05	33¼	Chicago, Ill	3.5	**E Norman Staub**
200,867	14,213	NYSE	NOC	6.35	1.80	41⅛	Los Angeles, Cal	28.8	**Thomas V Jones**
201,545	21,640	NYSE	NWA	3.35	0.80	27⅝	St Paul, Minn	12.8	**M Joseph Lapensky**
157,642	25,852	NYSE	NOB	4.13	1.28	25½	Minneapolis, Minn	12.6	**Chester C Lind**
92,993	10,495	NYSE	NWP	4.55	1.28	31	Salt Lake City, Utah	1.7	**John G McMillian**
295,600	29,899	NYSE	NWT	5.60	1.90	34⅞	Chicago, Ill	43.0	**Ben W Heineman**
32,160	5,165	OTC	NWFN	2.57	0.49	9⅞	Wilkesboro, NC	3.1	**Ben T Craig**
117,074	16,429	NYSE	NRT	4.89	1.39	33	Worcester, Mass	25.4	**Robert Cushman**
172,321	48,715	NYSE	NSI	2.52	0.95	16	New York, NY	37.0	**David J Mahoney**
76,565	69,461	NYSE	NVF	0.76	none	6⅞	Yorklyn, Del	9.9	**Victor Posner**
1,088,771	72,325	NYSE	OXY	7.30	1.25	27⅛	Los Angeles, Cal	34.2	**Armand Hammer**
113,964	8,337	NYSE	OG	6.58	1.90	34¼	New York, NY	32.0	**Ralph E Ablon**
147,520	11,675	OTC	OCAS	7.11	1.40	35½	Hamilton, Ohio	5.4	**John G Sloneker**
201,479	59,622	NYSE	OEC	1.80	1.76	13⅛	Akron, Ohio	7.2	**Justin T Rogers Jr**
85,527	30,260	NYSE	OGE	1.36	1.60	13⅝	Oklahoma City, Okla	3.5	**James G Harlow Jr**
26,193	6,627	OTC	OKEN	2.93	0.96	16	Grand Rapids, Mich	2.0	**Richard M Gillett**
178,075	23,956	NYSE	OLN	2.97	0.97	18	Stamford, Conn	21.7	**John M Henske**
105,668	17,198	NYSE	OSG	3.83	0.33	26	New York, NY	2.3	**Morton P Hyman**
221,979	30,490	NYSE	OCF	3.59	1.20	28½	Toledo, Ohio	26.3	**William W Boeschenstein**
296,142	28,454	NYSE	OI	4.56	1.26	20⅛	Toledo, Ohio	63.8	**Edwin D Dodd**
116,408	8,245	OTC	PCAR	14.57	2.95	55½	Bellevue, Wash	13.4	**Charles M Pigott**
576,203	113,628	NYSE	PCG	3.55	2.31	23	San Francisco, Cal	26.9	**Frederick W Mielke**
185,712	24,539	NYSE	PLT	3.80	2.06	22¼	Los Angeles, Cal	9.3	**Paul A Miller**
53,851	12,037	NYSE	PL	4.06	2.25	47½	San Francisco, Cal	4.3	**Robert B Hoover**
173,680	37,999	NYSE	PPW	2.46	1.92	18	Portland, Ore	7.5	**Don C Frisbee**
18,491	5,361	NYSE	PWJ	2.24	0.44	9⅛	New York, NY	6.1	**James W Davant**
247,767	71,188	NYSE	PN	1.07	none	6	New York, NY	69.4	**William T Seawell**
371,665	18,466	NYSE	PEL	8.02	3.03	60⅞	Houston, Tex	7.0	**Richard L O'Shields**
76,239	12,894	NYSE	PKD	2.79	0.24	37⅝	Tulsa, Okla	4.5	**Robert L Parker**

All share data adjusted for stock splits and stock dividends through May 12, 1980.

THE DIMENSIONS OF AMERICAN BUSINESS:

WHERE THEY RANK: 1979								
Assets	Sales	Market Value	Net Profits	Company (fiscal year end)	Assets ($000)	Sales ($000)	Market Value of Common ($000)	Net Profits ($000)
■	■	488	■	**Parker-Hannifin (June)**	562,544	846,438	408,044	50,207
109	427	384	475	**Penn Central (Dec)**	5,392,400	1,087,300	535,436	57,000
357	■	■	■	**PennCorp Financial (Dec)**	2,047,456	422,551	161,427	31,658
122	24	80	90	**J C Penney (Jan)**	5,077,000	11,274,000	1,817,072	244,000
166	■	267	141	**Pennsylvania Power & Light (Dec)**	3,782,228	860,498	772,072	182,198
■	429	■	■	**Pennwalt (Dec)**	793,422	1,079,303	272,733	49,997
323	255	65	92	**Pennzoil (Dec)**	2,292,195	2,051,693	2,228,666	238,518
219	211	163	203	**[13]Peoples Energy (Sept)**	3,002,799	2,441,556	1,123,841	140,288
488	■	■	■	**Peoples National Bank of Wash (Dec)**	1,488,461	145,529	61,636	13,269
231	75	63	82	**PepsiCo (Dec)**	2,887,578	5,090,567	2,262,481	264,855
■	■	249	■	**Perkin-Elmer (July)**	556,670	733,002	827,106	50,338
■	■	480	■	**[14]Petrie Stores (Jan)**	222,982	448,824	411,255	48,057
■	414	283	452	**Petrolane (Sept)**	595,155	1,143,938	711,246	60,217
216	179	51	94	**Pfizer (Dec)**	3,049,062	2,746,025	2,869,999	237,869
366	383	327	272	**Phelps Dodge (Dec)**	2,000,218	1,280,830	639,668	110,771
114	321	158	131	**Philadelphia Electric (Dec)**	5,241,260	1,578,505	1,139,641	194,471
94	■	■	■	**Philadelphia National (Dec)**	5,916,461	556,933	168,896	39,414
87	63	29	38	**Philip Morris (Dec)**	6,378,852	6,144,091	4,483,584	507,881
65	30	15	17	**Phillips Petroleum (Dec)**	8,518,709	9,502,775	7,412,544	891,121
414	245	292	343	**Pillsbury (May)**	1,804,483	2,165,982	701,435	83,471
■	■	338	421	**Pioneer (Dec)**	621,759	732,486	617,807	65,631
■	■	471	■	**Pioneer Hi-Bred International (Aug)**	278,917	327,511	426,422	39,297
■	448	449	427	**Pitney Bowes (Dec)**	902,265	1,024,949	443,392	63,494
103	■	■	■	**Pittsburgh National (Dec)**	5,563,019	471,514	258,683	44,957
■	313	206	493	**Pittston (Dec)**	1,188,737	1,647,830	960,733	54,451
■	■	377	■	**Pogo Producing (Dec)**	386,413	159,212	551,232	41,820
■	361	219	■	**Polaroid (Dec)**	1,244,262	1,361,454	919,940	36,147
407	■	485	■	**Portland General Electric (Dec)**	1,821,328	349,981	408,668	46,122
■	■	440	396	**Potlatch (Dec)**	976,934	809,059	454,920	71,000
330	■	422	339	**Potomac Electric Power (Dec)**	2,226,752	749,333	479,067	84,356
270	160	210	111	**PPG Industries (Dec)**	2,649,400	3,091,800	942,249	218,900
98	32	17	27	**Procter & Gamble (June)**	5,663,627	9,329,306	6,139,584	577,331
341	480	431	382	**Provident Life & Accident (Dec)**	2,125,266	944,579	462,668	74,006
289	■	■	■	**Provident National (Dec)**	2,488,313	237,286	100,565	25,993
363	490	460	481	**Public Service Co of Colorado (Dec)**	2,011,264	926,510	432,360	55,809
310	■	298	241	**Public Service Company of Indiana (Dec)**	2,342,088	628,538	696,435	122,990
■	■	■	487	**Public Service Company of New Mexico (Dec)**	1,186,446	244,370	284,737	54,803
89	216	136	97	**Public Service Electric & Gas (Dec)**	6,104,183	2,416,707	1,326,595	233,329
■	153	474	■	**Pullman (Dec)**	1,299,397	3,197,097	420,526	47,901
■	270	369	338	**Quaker Oats (June)**	1,131,500	1,966,300	562,676	84,500
140	■	■	■	**Rainier Bancorporation (Dec)**	4,495,758	466,265	238,656	37,010
334	87	151	229	**Ralston Purina (Sept)**	2,183,100	4,600,600	1,187,274	128,100
470	230	■	■	**Rapid-American (Jan)**	1,587,729	2,312,245	110,686	34,603
■	■	438	■	**Raychem (June)**	306,790	338,099	457,496	29,596
321	125	71	127	**Raytheon (Dec)**	2,296,537	3,727,930	2,102,862	197,151
92	48	101	78	**RCA (Dec)**	5,987,800	7,454,600	1,656,167	283,800
259	385	420	114	**Reliance Group (Dec)**	2,693,461	1,265,800	481,320	208,439

■ Not on 500 list.

[13]Formerly Peoples Gas.

[14]Latest 12 month results.

A ROSTER OF THE U.S.'s BIGGEST CORPORATIONS

Cash Flow ($000)	Shares Outstanding (000)	Where Traded	Ticker Symbol	Earnings Before Extraordinary Items	Dividends	Market Price (Dec 31)	Corporate Headquarters	Number of Employees (000)	Chief Executive
	SHARE DATA: 1979								
72,659	14,573	NYSE	PH	3.75	1.18	28	Cleveland, Ohio	20.2	**Patrick S Parker**
146,400	23,154	NYSE	PC	2.41	none	23⅛	New York, NY	32.9	**Richard Dicker**
150,928	18,189	NYSE	PCF	1.65	0.13	8⅞	Santa Monica, Cal	2.2	**Stanley Beyer**
372,000	69,553	NYSE	JCP	3.52	1.76	26⅛	New York, NY	206.0	**Donald V Seibert**
184,345	43,497	NYSE	PPL	3.32	2.01	17¾	Allentown, Pa	7.6	**Robert K Campbell**
86,134	8,590	NYSE	PSM	5.01	2.20	31¾	Philadelphia, Pa	13.3	**Edwin E Tuttle**
507,965	50,508	NYSE	PZL	4.69	1.50	44⅛	Houston, Tex	10.0	**J Hugh Liedtke**
345,119	26,838	NYSE	PGL	5.29	2.88	41⅞	Chicago, Ill	7.1	**Orval C Davis**
18,649	3,793	OTC	PEOP	3.74	0.84	16¼	Seattle, Wash	2.1	**Joshua Green III**
445,966	90,954	NYSE	PEP	2.85	1.11	24⅞	Purchase, NY	105.0	**Donald M Kendall**
73,010	19,693	NYSE	PKN	2.53	0.52	42	Norwalk, Conn	13.7	**Robert H Sorensen**
NA	14,060	NYSE	PST	3.42	1.75	29¼	Secaucus, NJ	7.0	**Milton J Petrie**
106,896	49,912	NYSE	PTO	1.20	0.29	14¼	Long Beach, Cal	11.6	**Rudolph J Munzer**
323,199	73,121	NYSE	PFE	3.26	1.32	39¼	New York, NY	41.0	**Edmund T Pratt Jr**
198,062	20,718	NYSE	PD	5.06	1.20	30⅞	New York, NY	14.9	**George B Munroe**
313,364	82,883	NYSE	PE	1.86	1.80	13¾	Philadelphia, Pa	9.6	**James L Everett**
62,649	5,824	OTC	PHNA	6.77	2.40	29	Philadelphia, Pa	5.0	**G Morris Dorrance Jr**
720,427	124,544	NYSE	MO	4.08	1.19	36	New York, NY	65.0	**George Weissman**
1,591,508	154,428	NYSE	P	5.77	1.35	48	Bartlesville, Okla	30.3	**William F Martin**
152,453	20,041	NYSE	PSY	4.62	1.57	35	Minneapolis, Minn	58.1	**William H Spoor**
135,708	18,442	NYSE	PNA	3.57	1.01	33½	Amarillo, Tex	2.9	**K Bert Watson**
46,042	15,941	OTC	PHYB	2.47	0.78	26¾	Des Moines, Iowa	2.0	**Dr William L Brown**
[illegible]	13,856	NYSE	PBI	4.02	1.25	32	Stamford, Conn	25.2	**Fred T Allen**
[illegible]	6,196	OTC	PITS	7.30	2.50	41¾	Pittsburgh, Pa	3.5	**Merle E Gilliand**
149,[illegible]78	37,492	NYSE	PCO	1.45	1.20	25⅝	Greenwich, Conn	15.6	**Nicholas T Camicia**
116,129	25,056	NYSE	PPP	1.66	0.20	22	Houston, Tex	0.1	**William C Liedtke**
87,854	32,855	NYSE	PRD	1.10	1.00	28	Cambridge, Mass	18.4	**William J McCune Jr**
79,609	31,436	NYSE	PGN	1.06	1.70	13	Portland, Ore	2.8	**Frank M Warren**
120,029	15,164	NYSE	PCH	4.69	1.20	30	San Francisco, Cal	10.2	**Richard B Madden**
185,344	41,658	NYSE	POM	1.73	1.36	11½	Washington, DC	5.2	**W Reid Thompson**
376,500	32,632	NYSE	PPG	6.78	1.88	28⅞	Pittsburgh, Pa	38.2	**L Stanton Williams**
799,573	82,688	NYSE	PG	6.99	3.30	74¼	Cincinnati, Ohio	59.0	**Edward G Harness**
216,283	9,844	OTC	PACC	7.52	1.43	47	Chattanooga, Tenn	3.1	**H Carey Hanlin**
31,349	4,147	OTC	PROV	6.23	2.10	24¼	Philadelphia, Pa	2.3	**Roger S Hillas**
120,260	32,326	NYSE	PSR	1.35	1.60	13⅝	Denver, Colo	6.3	**Richard F Walker**
233,192	29,794	NYSE	PIN	3.79	2.28	23⅜	Plainfield, Ind	4.4	**Hugh A Barker**
72,342	15,602	NYSE	PNM	2.97	1.88	18¼	Albuquerque, NM	2.3	**Jerry D Geist**
422,456	68,914	NYSE	PEG	2.85	2.20	19¼	Newark, NJ	13.2	**Robert I Smith**
55,100	11,103	NYSE	PU	4.34	1.65	37⅞	Chicago, Ill	41.0	**Clark P Lattin Jr**
139,500	19,830	NYSE	OAT	4.01	1.25	28⅜	Chicago, Ill	31.0	**Robert D Stuart Jr**
64,121	8,758	OTC	RBAN	4.23	1.08	27¼	Seattle, Wash	5.3	**G Robert Truex Jr**
240,800	107,934	NYSE	RAL	1.19	0.58	11	St Louis, Mo	73.6	**R Hal Dean**
92,256	5,089	NYSE	RPD	4.55	0.80	21¼	New York, NY	48.0	**Meshulam Riklis**
46,409	8,632	OTC	RAYC	3.51	0.26	53	Menlo Park, Cal	6.7	**Paul M Cook**
309,639	31,386	NYSE	RTN	6.30	1.60	67	Lexington, Mass	67.2	**Thomas L Phillips**
766,800	74,855	NYSE	RCA	3.72	1.55	22⅛	New York, NY	120.0	**Edgar H Griffiths**
282,680	8,022	NYSE	REL	22.37	1.70	60	New York, NY	9.3	**Saul P Steinberg**

All share data adjusted for stock splits and stock dividends through May 12, 1980.
NA Not Available.

THE DIMENSIONS OF AMERICAN BUSINESS:

WHERE THEY RANK: 1979								
Assets	Sales	Market Value	Net Profits	Company (fiscal year end)	Assets ($000)	Sales ($000)	Market Value of Common ($000)	Net Profits ($000)
142	■	■	■	**Republic New York (Dec)**	4,408,405	401,148	127,294	31,634
45	474	418	390	**Republic of Texas (Dec)**	10,797,651	950,752	484,124	72,400
252	113	500	244	**Republic Steel (Dec)**	2,749,872	3,987,381	394,461	121,158
■	■	■	331	**Resorts International (Dec)**	405,276	373,247	381,300	86,459
■	488	■	■	**Revco D S (May)**	313,492	927,533	356,187	33,636
495	304	116	387	**Revlon (Dec)**	1,470,720	1,717,993	1,502,685	152,688
■	455	■	470	**Rexnord (Oct)**	698,662	1,010,225	326,897	57,252
86	51	43	33	**R J Reynolds Industries (Dec)**	6,421,900	7,133,100	3,443,078	550,900
228	145	342	154	**Reynolds Metals (Dec)**	2,923,076	3,305,155	615,973	177,100
■	426	358	434	**Richardson-Merreil (June)**	843,470	1,090,546	577,640	62,956
260	■	■	■	**Riggs National Bank of Washington DC (Dec)**	2,686,504	220,977	109,208	21,725
■	425	395	471	**Roadway Express (Dec)**	514,699	1,093,662	520,672	57,193
151	62	90	83	**Rockwell International (Sept)**	4,127,600	6,176,400	1,755,916	261,100
■	318	337	308	**Rohm & Haas (Dec)**	1,191,903	1,590,484	620,957	95,495
■	■	459	■	**Rowan Companies (Dec)**	341,611	188,614	432,666	32,772
477	344	499	435	**Ryder System (Dec)**	1,537,191	1,454,696	397,275	62,955
285	394	280	208	**Safeco (Dec)**	2,507,006	1,213,463	724,066	137,673
215	17	220	200	**Safeway Stores (Dec)**	3,100,768	13,717,861	917,325	143,323
■	410	258	369	**St Joe Minerals (Dec)**	1,108,600	1,148,105	797,259	77,586
153	294	240	186	**St Paul Companies (Dec)**	4,101,210	1,783,056	854,487	152,982
325	205	202	179	**St Regis Paper (Dec)**	2,260,845	2,498,436	974,201	158,493
422	■	482	402	**San Diego Gas & Electric (Dec)**	1,782,565	745,232	409,343	70,166
161	199	118	104	**Santa Fe Industries (Dec)**	3,883,100	2,555,600	1,486,212	227,700
■	■	277	■	**Santa Fe International (Dec)**	933,134	523,095	736,682	16,514
468	351	105	108	**Schering-Plough (Dec)**	1,592,699	1,434,022	1,611,060	222,267
143	131	5	22	**Schlumberger Limited (Dec)**	4,375,186	3,549,647	11,915,813	658,396
■	299	■	■	**SCM (June)**	979,599	1,753,723	219,903	47,352
403	277	285	209	**Scott Paper (Dec)**	1,829,579	1,908,107	709,724	137,085
■	481	■	■	**Scovill (Dec)**	572,721	941,602	163,460	32,000
192	244	464	223	**Seaboard Coast Line Industries (Dec)**	3,402,207	2,173,804	430,814	132,641
66	■	473	424	**Seafirst (Dec)**	8,400,753	805,856	421,904	64,411
■	■	193	326	**G D Searle (Dec)**	1,131,622	898,369	994,014	87,949
17	9	22	19	**††Sears Roebuck (Jan)**	26,390,635	23,660,173	5,716,134	785,232
19	212	266	168	**Security Pacific (Dec)**	24,923,382	2,438,219	778,247	163,580
■	■	348	■	**SEDCO (June)**	724,774	368,905	599,064	11,863
210	■	■	■	**Shawmut (Dec)**	3,141,993	278,952	61,710	14,807
33	16	12	14	**Shell Oil (Dec)**	16,127,016	14,431,211	8,374,518	1,125,561
■	400	■	■	**Sherwin-Williams (Dec)**	704,380	1,196,343	129,637	18,028
240	99	117	117	**Signal Companies (Dec)**	2,850,500	4,292,600	1,495,845	203,700
491	194	■	■	**Singer (Dec)**	1,482,400	2,598,100	151,265	–92,300
■	■	287	490	**Smith International (Dec)**	553,924	545,272	707,823	54,639
■	363	40	96	**SmithKline (Dec)**	1,195,709	1,351,145	3,827,327	233,837
■	■	385	■	**Snap-On Tools (Dec)**	276,880	373,602	532,421	42,603
218	■	■	■	**Society (Dec)**	3,018,569	266,203	129,225	25,509
459	■	■	474	**South Carolina Electric & Gas (Dec)**	1,650,395	544,402	356,876	57,027
494	■	■	■	**South Carolina National (Dec)**	1,480,016	143,038	80,997	17,297
124	■	■	■	**Southeast Banking (Dec)**	5,028,371	438,264	181,111	34,880

■ Not on 500 list.

††Figures include unconsolidated subsidiaries.

A ROSTER OF THE U.S.'s BIGGEST CORPORATIONS

Cash Flow ($000)	SHARE DATA: 1979 Shares Outstanding (000)	Where Traded	Ticker Symbol	Earnings Before Extraordinary Items	Dividends	Market Price (Dec. 31)	Corporate Headquarters	Number of Employees (000)	Chief Executive
57,510	3,285	ASE	RNB	8.34	1.88	38¾	New York, NY	1.2	**Walter H Weiner**
99,332	17,766	NYSE	RPT	4.08	1.00	27¼	Dallas, Tex	5.3	**James D Berry**
244,318	16,183	NYSE	RS	7.49	2.25	24⅜	Cleveland, Ohio	42.7	**William J De Lancey**
113,185	12,400	ASE	RT A	6.84	none	30¾	North Miami, Fla	7.5	**James M Crosby**
43,309	13,441	NYSE	RDS	2.51	0.72	26½	Twinsburg, Ohio	16.0	**Sidney Dworkin**
186,200	33,393	NYSE	REV	4.60	1.43	45	New York, NY	31.9	**Michel C Bergerac**
81,014	19,663	NYSE	REX	2.91	0.96	16⅝	Milwaukee, Wisc	18.7	**Robert V Krikorian**
976,800	101,267	NYSE	RJR	5.23	1.95	34	Winston-Salem, NC	79.5	**J Paul Sticht**
246,900	18,953	NYSE	RLM	9.25	2.00	32½	Richmond, Va	37.6	**David P Reynolds**
87,075	23,339	NYSE	RXM	2.66	1.13	24¾	Wilton, Conn	15.0	**John S Scott**
30,597	2,992	OTC	RIGS	7.26	2.80	36½	Washington, DC	2.1	**Vincent C Burke Jr**
111,853	19,648	OTC	ROAD	2.85	0.70	26½	Akron, Ohio	21.8	**William F Spitznagel**
435,600	36,298	NYSE	ROK	7.33	2.55	48⅜	Pittsburgh, Pa	114.5	**Robert Anderson**
181,024	12,903	NYSE	ROH	7.39	1.76	48⅛	Philadelphia, Pa	13.3	**Vincent L Gregory Jr**
68,889	10,271	NYSE	RDC	2.67	0.10	42⅛	Houston, Tex	1.3	**Charles R Palmer**
262,937	16,133	NYSE	RDR	3.84	0.94	24⅝	Miami, Fla	19.4	**Leslie O Barnes**
218,697	19,438	OTC	SAFC	7.01	1.50	37¼	Seattle, Wash	11.0	**Roland M Trafton**
327,970	26,116	NYSE	SA	5.49	2.60	35⅛	Oakland, Cal	148.9	**Peter A Magowan**
194,592	22,458	NYSE	SJO	3.46	1.38	35½	New York, NY	11.5	**John C Duncan**
461,541	20,969	OTC	STPL	7.30	1.80	40¾	St Paul, Minn	9.7	**Carl B Drake Jr**
258,626	32,205	NYSE	SRT	4.87	1.85	30¼	New York, NY	31.1	**William R Haselton**
73,545	31,188	NYSE	SDO	1.80	1.46	13⅛	San Diego, Cal	4.7	**Robert E Morris**
416,100	28,581	NYSE	SFF	8.08	2.35	52	Chicago, Ill	42.6	**John S Reed**
104,884	21,276	NYSE	SAF	0.78	0.72	34⅝	Orange, Cal	7.2	**Edfred L Shannon Jr**
256,586	53,039	NYSE	SGP	4.12	1.39	30⅝	Kenilworth, NJ	25.9	**Richard J Bennett**
865,972	127,102	NYSE	SLB	5.18	1.06	93¾	New York, NY	85.0	**Jean Riboud**
94,254	9,561	NYSE	SCM	4.98	1.20	23	New York, NY	28.6	**Paul H Elicker**
224,558	38,889	NYSE	SPP	3.52	0.90	18¼	Philadelphia, Pa	20.8	**Charles D Dickey Jr**
61,572	9,209	NYSE	SCO	3.46	1.43	17¾	Waterbury, Conn	23.3	**Malcolm Baldrige**
208,499	14,666	NYSE	SCI	9.06	2.20	29⅝	Jacksonville, Fla	37.3	**Prime Osborn III**
95,842	15,068	NYSE	SFC	4.28	1.08	28	Seattle, Wash	7.3	**William M Jenkins**
137,428	52,663	NYSE	SRL	1.66	0.52	18⅞	Skokie, Ill	18.3	**Donald H Rumsfeld**
1,393,167	317,563	NYSE	S	2.46	1.24	18	Chicago, Ill	424.0	**Edward R Telling**
428,882	27,671	NYSE	SPC	5.94	1.80	28⅛	Los Angeles, Cal	23.3	**Richard J Flamson III**
65,986	10,351	NYSE	SED	1.15	0.64	57⅞	Dallas, Tex	9.1	**B Gill Clements**
27,809	1,870	OTC	SHAS	7.92	2.20	33	Boston, Mass	3.5	**D Thomas Trigg**
2,064,070	154,369	NYSE	SUO	7.32	2.10	54¼	Houston, Tex	36.4	**John F Bookout**
45,298	4,869	NYSE	SHW	3.21	0.15	26⅝	Cleveland, Ohio	16.9	**John G Breen**
234,100	38,355	NYSE	SGN	5.28	0.90	39	Beverly Hills, Cal	53.0	**Forrest N Shumway**
22,000	16,577	NYSE	SMF	–5.90	0.50	9⅛	Stamford, Conn	77.0	**Joseph B Flavin**
81,351	10,148	NYSE	SII	5.30	1.07	69¾	Newport Beach, Cal	7.8	**Jerry W Neely**
257,099	60,872	NYSE	SKL	3.85	1.32	62⅞	Philadelphia, Pa	18.1	**Robert F Dee**
50,858	19,811	NYSE	SNA	2.16	0.76	26⅞	Kenosha, Wisc	6.2	**Norman E Lutz**
38,885	6,713	OTC	SOCI	3.98	1.20	19¼	Cleveland, Ohio	2.6	**J Maurice Struchen**
81,760	24,195	NYSE	SCG	1.90	1.67	14¾	Columbia, SC	3.2	**Virgil C Summer**
25,496	4,263	OTC	SCNC	4.07	1.02	19	Columbia, SC	2.9	**John H Lumpkin**
62,269	12,599	NYSE	STB	2.77	0.75	14⅝	Miami, Fla	5.0	**Charles J Zwick**

All share data adjusted for stock splits and stock dividends through May 12, 1980.

THE DIMENSIONS OF AMERICAN BUSINESS:

WHERE THEY RANK: 1979								
Assets	Sales	Market Value	Net Profits	Company (fiscal year end)	Assets ($000)	Sales ($000)	Market Value of Common ($000)	Net Profits ($000)
397	■	■	■	**Southern Bancorp of Alabama (Dec)**	1,847,345	192,001	93,139	16,225
75	198	109	61	**Southern California Edison (Dec)**	6,977,237	2,563,974	1,589,928	346,219
47	158	96	110	**Southern Company (Dec)**	10,552,095	3,128,169	1,710,568	219,127
416	348	171	277	**Southern Natural Resources (Dec)**	1,793,850	1,446,286	1,090,206	107,422
466	■	472	399	**Southern New England Telephone (Dec)**	1,616,724	736,628	425,374	70,458
125	190	224	147	**Southern Pacific (Dec)**	5,025,148	2,626,400	909,394	179,854
232	343	248	175	**Southern Railway (Dec)**	2,886,863	1,467,270	828,198	160,622
■	115	316	412	**Southland (Dec)**	1,367,575	3,856,222	659,410	67,476
■	■	135	489	**Southland Royalty (Dec)**	555,656	256,611	1,333,138	54,752
182	■	■	■	**Southwest Bancshares (Dec)**	3,558,480	289,365	159,127	23,845
359	■	326	■	**Southwestern Life (Dec)**	2,016,100	389,093	639,919	41,884
170	107	78	106	**Sperry (Mar)**	3,724,025	4,179,319	1,824,969	224,132
■	■	373	388	**Square D (Dec)**	564,181	826,088	555,419	72,568
417	346	94	236	**Squibb (Dec)**	1,793,259	1,452,712	1,722,042	123,722
■	350	498	■	**A E Staley Manufacturing (Sept)**	641,705	1,434,906	397,719	23,630
■	193	273	332	**Standard Brands (Dec)**	1,385,381	2,613,274	747,751	86,355
26	7	10	6	**Standard Oil Calif (Dec)**	18,094,724	29,947,554	9,624,735	1,784,694
28	13	6	8	**Standard Oil Indiana (Dec)**	17,149,899	18,610,376	11,767,905	1,506,618
56	42	9	11	**Standard Oil Ohio (Dec)**	9,209,001	7,916,023	10,826,598	1,186,116
■	■	402	■	**Stanley Works (Dec)**	574,387	872,262	507,232	51,431
275	■	■	■	**State Street Boston (Dec)**	2,598,145	249,242	53,856	15,363
393	331	198	212	**Stauffer Chemical (Dec)**	1,876,234	1,526,160	987,368	135,961
■	336	149	267	**Sterling Drug (Dec)**	1,150,472	1,500,692	1,205,340	111,594
■	285	■	■	**J P Stevens (Oct)**	1,040,652	1,833,076	209,391	47,665
■	280	■	■	**Stop & Shop Companies (Jan)**	446,979	1,878,864	63,219	14,948
■	■	469	■	**Storage Technology (Dec)**	417,983	479,453	426,747	39,746
455	■	■	■	**Sumitomo Bank of California (Dec)**	1,662,174	148,691	45,532	9,781
236	■	■	■	**Sun Banks of Florida (Dec)**	2,872,149	235,803	138,936	21,114
71	27	34	21	**Sun Company (Dec)**	7,460,600	10,666,000	4,159,509	699,900
■	374	■	■	**Sunbeam (Mar)**	816,339	1,322,622	262,207	47,830
■	■	341	414	**Sundstrand (Dec)**	706,303	842,630	616,284	67,056
■	134	458	■	**Super Valu Stores (Feb)**	459,450‡	3,475,193	432,854	45,343
256	428	46	124	**Superior Oil (Dec)**	2,721,067	1,085,394	3,205,884	200,287
■	222	■	■	**Supermarkets General (Jan)**	527,501	2,372,574	130,496	23,460
■	■	481	■	**Supron Energy (Dec)**	162,420	47,287	410,025	15,864
■	457	■	■	600 **Sysco (June)**	231,141	1,002,294	140,637	16,241
■	392	297	346	**Tandy (June)**	609,589	1,215,483	698,844	83,229
■	■	■	486	**Tecumseh Products (Dec)**	349,989	880,603	339,140	54,926
■	■	169	372	**Tektronix (May)**	642,907	786,936	1,093,138	77,151
178	130	84	60	**††Teledyne (Dec)**	3,620,097	3,585,326	1,804,069	346,544
42	25	35	28	**Tenneco (Dec)**	11,630,531	11,209,451	4,081,654	570,652
367	■	■	■	**Tennessee Valley Bancorp (Dec)**	1,998,749	183,329	37,269	7,681
■	223	■	456	**Tesoro Petroleum (Sept)**	617,982	2,370,122	236,060	59,319
22	6	13	7	**Texaco (Dec)**	22,991,955	38,350,370	7,837,917	1,759,069
226	■	■	■	**Texas American Bancshares (Dec)**	2,929,314	258,686	148,088	24,519
55	■	328	353	**Texas Commerce Bancshares (Dec)**	9,259,500	790,958	636,372	82,380
201	165	99	144	**Texas Eastern (Dec)**	3,237,303	2,944,168	1,673,539	180,551

■ Not on 500 list.
‡Assets as of 9/8/79.
††Figures include unconsolidated subsidiaries.

A ROSTER OF THE U.S.'s BIGGEST CORPORATIONS

	SHARE DATA: 1979								
Cash Flow ($000)	Shares Outstanding (000)	Where Traded	Ticker Symbol	Earnings Before Extraordinary Items	Dividends	Market Price (Dec. 31)	Corporate Headquarters	Number of Employees (000)	Chief Executive
33,386	7,305	OTC	SBNC	2.22	0.90	12¾	Birmingham, Ala	2.3	**Guy H Caffey Jr**
458,959	64,895	NYSE	SCE	4.56	2.54	24½	Rosemead, Cal	12.9	**Jack K Horton**
596,982	148,745	NYSE	SO	1.51	1.54	11½	Atlanta, Ga	26.5	**Alvin W Vogtle Jr**
234,555	20,189	NYSE	NRG	5.30	1.38	54	Birmingham, Ala	5.5	**John S Shaw Jr**
207,317	12,511	NYSE	SNG	5.24	3.50	34	New Haven, Conn	14.4	**Alfred W Van Sinderen**
346,449	26,945	NYSE	SX	6.67	2.45	33¾	San Francisco, Cal	56.3	**Benjamin F Biaggini**
291,815	15,337	NYSE	SR	10.39	3.20	54	Washington, DC	21.6	**L Stanley Crane**
133,638	22,936	NYSE	SLC	3.12	0.79	28¾	Dallas, Tex	44.3	**John P Thompson**
110,301	23,185	NYSE	SRO	2.37	0.58	57½	Fort Worth, Tex	0.4	**Jon Brumley**
30,618	6,462	NYSE	SWB	3.70	1.24	24⅝	Houston, Tex	2.6	**John T Cater**
107,995	15,146	OTC	SWLF	2.77	0.97	42¼	Dallas, Tex	1.0	**William H Seay**
455,384	36,138	NYSE	SY	6.35	1.44	50½	New York, NY	87.3	**J Paul Lyet**
89,799	23,889	NYSE	SQD	3.04	1.50	23¼	Palatine, Ill	21.2	**Mitchell P Kartalia**
163,076	45,617	NYSE	SQB	2.71	1.10	37¼	New York, NY	27.0	**Richard M Furlaud**
65,524	12,626	NYSE	STA	1.86	1.00	31½	Decatur, Ill	4.2	**Donald E Nordlund**
149,742	28,217	NYSE	SB	3.04	1.42	26½	New York, NY	23.6	**F Ross Johnson**
2,770,538	170,727	NYSE	SD	10.44	2.90	56⅜	San Francisco, Cal	39.7	**Harold J Haynes**
2,842,292	298,390	NYSE	SN	5.12	1.50	39½	Chicago, Ill	52.3	**John E Swearingen**
2,178,611	122,681	NYSE	SOH	9.83	1.22	88¼	Cleveland, Ohio	22.1	**Alton W Whitehouse Jr**
76,129	12,113	NYSE	SWK	4.26	1.16	41⅞	New Britain, Conn	17.5	**Donald W Davis**
30,953	2,176	OTC	STBK	6.78	1.70	24¾	Boston, Mass	3.1	**William S Edgerly**
285,486	43,883	NYSE	STF	3.10	1.08	22½	Westport, Conn	13.8	**H Barclay Morley**
172,618	60,267	NYSE	STY	1.85	0.82	20	New York, NY	27.0	**Dr W Clarke Wescoe**
102,305	14,196	NYSE	STN	3.36	1.07	14¾	New York, NY	43.9	**Whitney Stevens**
42,830	4,046	NYSE	SHP	3.70	1.15	15⅝	Boston, Mass	27.0	**Avram J Goldberg**
75,049	24,561	NYSE	STK	1.58	none	17⅜	Louisville, Colo	7.4	**Jesse I Aweida**
14,377	3,061	OTC	SUMI	3.20	1.06	14⅞	San Francisco, Cal	1.6	**Nimei Akamatsu**
35,427	9,924	OTC	SNBK	2.02	0.74	14	Orlando, Fla	4.5	**Richard F Livingston**
1,398,100	119,054	NYSE	SUN	5.89	1.48	34⅞	Radnor, Pa	40.1	**Theodore A Burtis**
74,232	14,877	NYSE	SMB	3.22	1.45	17⅝	Chicago, Ill	28.0	**Robert P Gwinn**
106,174	16,218	NYSE	SNS	4.03	1.05	38	Rockford, Ill	15.4	**Evans W Erikson**
NA	18,130	NYSE	SVU	2.50	0.60	23⅞	Hopkins, Minn	13.5	**Jack J Crocker**
517,813	24,287	NYSE	SOC	9.52	0.60	132	Houston, Tex	5.1	**Howard B Keck**
53,065	8,156	NYSE	SGL	2.67	0.45	16	Woodbridge, NJ	28.0	**Herbert Brody**
27,965	9,240	ASE	SUE	1.65	0.21	44⅜	Dallas, Tex	0.1	**Alvin M Wiederkehr**
25,174	6,216	ASE	SYY	2.78	0.39	22⅝	Houston, Tex	5.2	**John F Baugh**
104,122	22,363	NYSE	TAN	3.23	none	31¼	Fort Worth, Tex	20.0	**Phil R North**
66,562	5,470	OTC	TECU	10.04	5.50	62	Tecumseh, Mich	10.8	**Kenneth G Herrick**
96,385	18,257	NYSE	TEK	4.28	0.69	59⅞	Beaverton, Ore	21.3	**Earl Wantland**
270,809	16,829	NYSE	TDY	20.56	none	107¼	Los Angeles, Cal	47.8	**Henry E Singleton**
1,106,217	105,333	NYSE	TGT	5.30	2.25	38¾	Houston, Tex	107.0	**James L Ketelsen**
18,103	3,923	OTC	TVBC	1.72	0.80	9½	Nashville, Tenn	2.0	**William F Earthman**
78,637	12,343	NYSE	TSO	4.03	none	19⅛	San Antonio, Tex	3.3	**Robert V West Jr**
3,211,801	271,443	NYSE	TX	6.48	2.12	28⅞	White Plains, NY	65.8	**Maurice F Granville**
35,757	5,751	OTC	TABS	4.27	1.08	25¾	Fort Worth, Tex	2.2	**Lewis H Bond**
114,902	14,463	NYSE	TCB	5.70	1.40	44	Houston, Tex	5.4	**Ben F Love**
424,880	25,166	NYSE	TET	7.18	2.50	66½	Houston, Tex	5.3	**George F Kirby**

All share data adjusted for stock splits and stock dividends through May 12, 1980.
NA Not Available.

THE DIMENSIONS OF AMERICAN BUSINESS:

WHERE THEY RANK: 1979								
Assets	Sales	Market Value	Net Profits	Company (fiscal year end)	Assets ($000)	Sales ($000)	Market Value of Common ($000)	Net Profits ($000)
■	308	370	364	**Texas Gas Transmission (Dec)**	1,340,503	1,686,560	562,529	79,022
385	151	73	158	**Texas Instruments (Dec)**	1,908,175	3,224,126	2,008,688	172,891
■	■	137	305	**Texas Oil & Gas (Aug)**	1,163,198	897,462	1,323,000	97,277
95	298	110	113	**Texas Utilities (Dec)**	5,821,933	1,756,289	1,561,734	211,151
460	■	155	210	**Texasgulf (Dec)**	1,648,081	789,256	1,155,868	136,867
353	138	233	162	**Textron (Dec)**	2,079,155	3,392,974	871,773	169,801
406	■	■	■	**Third National (Dec)**	1,822,975	163,478	51,297	10,977
372	493	■	■	**Tiger International (Dec)**	1,965,318	920,273	270,712	43,627
346	203	176	199	**Time Inc (Dec)**	2,104,079	2,504,060	1,062,198	143,922
■	314	144	196	**Times Mirror (Dec)**	1,349,708	1,638,535	1,238,883	146,493
■	382	363	285	**Timken (Dec)**	942,912	1,282,069	571,404	102,131
496	■	■	460	**Toledo Edison (Dec)**	1,467,512	365,121	313,460	58,595
■	■	495	■	**Tom Brown (Mar)**	108,211	43,088	401,693	89
■	274	435	362	**Tosco (Dec)**	593,212	1,922,237	459,908	79,567
419	492	465	463	**Trans Union (Dec)**	1,790,790	922,552	429,592	58,248
245	96	■	■	**Trans World (Dec)**	2,806,807	4,334,046	260,228	8,642
68	111	164	93	**Transamerica (Dec)**	7,983,535	4,044,647	1,110,678	238,508
253	330	189	405	**Transco Companies (Dec)**	2,744,865	1,528,108	1,007,298	69,295
394	■	■	■	**TRANSOHIO Financial (Dec)**	1,874,081	153,561	45,754	12,789
24	43	104	47	**Travelers (Dec)**	19,159,864	7,888,901	1,613,946	387,600
237	■	■	■	**Trust Company of Georgia (Dec)**	2,856,208	273,506	135,988	26,666
273	88	161	130	**TRW (Dec)**	2,619,856	4,560,303	1,136,361	194,642
■	■	■	497	**[15]Tucson Electric Power (Dec)**	970,010	272,549	313,403	53,505
■	345	■	■	**Turner Construction (Dec)**	262,201	1,454,374	29,493	5,448
■	■	■	469	**Twentieth Century-Fox (Dec)**	633,043	657,999	340,736	57,303
164	117	314	■	**UAL (Dec)**	3,862,449	3,831,523	660,398	–72,814
■	359	186	190	**Union Camp (Dec)**	1,439,587	1,388,963	1,020,180	151,178
63	34	53	32	**Union Carbide (Dec)**	8,802,600	9,176,500	2,780,652	556,200
487	■	■	■	**Union Commerce (Dec)**	1,491,923	143,781	40,635	–9,000
208	477	288	251	**Union Electric (Dec)**	3,168,998	946,797	705,564	118,055
91	46	38	42	**Union Oil Company of California (Dec)**	6,013,149	7,567,698	3,877,319	500,604
121	112	42	48	**Union Pacific (Dec)**	5,086,883	3,989,474	3,451,455	382,486
450	196	■	■	**Uniroyal (Dec)**	1,668,934	2,574,588	112,910	–120,507
364	■	■	■	**United Bank Corp of New York (Dec)**	2,006,829	162,127	125,681	24,160
306	■	■	■	**United Banks of Colorado (Dec)**	2,370,016	228,042	121,480	19,916
■	135	■	■	**United Brands (June)**	1,217,404	3,470,222	119,592	21,433
448	157	255	266	**United Energy Resources (Dec)**	1,692,981	3,133,654	800,121	111,687
281	■	■	■	**United Jersey Banks (Dec)**	2,525,328	264,216	56,948	13,103
433	■	■	■	**United Missouri Bancshares (Dec)**	1,754,977	128,906	71,047	14,534
141	■	■	■	**U S Bancorp (Dec)**	4,431,388	425,854	333,976	51,934
171	247	174	102	**U S Fidelity & Guaranty (Dec)**	3,679,842	2,136,231	1,069,877	229,000
■	332	403	237	**United States Gypsum (Dec)**	1,047,511	1,525,379	505,260	123,547
■	484	■	■	**U S Home (Dec)**	640,032	935,329	158,595	40,992
■	384	■	■	**U S Industries (Dec)**	871,876	1,273,848	213,564	51,158
44	18	113	■	**United States Steel (Dec)**	11,029,900	12,929,100	1,518,230	–383,400
370	■	■	■	**United Stated Trust (Dec)**	1,970,951	196,476	59,980	7,312
85	35	82	67	**United Technologies (Dec)**	6,426,123	9,053,358	1,810,988	325,608
162	292	132	140	**United Telecommunications (Dec)**	3,872,977	1,792,078	1,336,364	182,887

■ Not on 500 list

[15] Formerly Tucson Gas & Electric

A ROSTER OF THE U.S.'s BIGGEST CORPORATIONS

Cash Flow ($000)	Shares Outstanding (000)	Where Traded	Ticker Symbol	Earnings Before Extraordinary Items	Dividends	Market Price (Dec. 31)	Corporate Headquarters	Number of Employees (000)	Chief Executive
	SHARE DATA: 1979								
174,632	20,549	NYSE	TXG	3.74	1.39	27⅜	Owensboro, Ky	11.7	**Dennis R Hendrix**
360,135	22,826	NYSE	TXN	7.58	2.00	88	Dallas, Tex	85.8	**Mark Shepherd Jr**
218,938	43,200	NYSE	TXO	2.25	0.21	30⅝	Dallas, Tex	2.2	**William L Hutchison**
452,933	87,985	NYSE	TXU	2.45	1.61	17¾	Dallas, Tex	12.6	**T Louis Austin Jr**
204,952	31,886	NYSE	TG	4.05	1.20	36¼	Stamford, Conn	5.9	**Charles F Fogarty**
231,216	33,053	NYSE	TXT	4.51	1.75	26⅝	Providence, RI	64.0	**Robert P Straetz**
26,243	2,385	OTC	TDAT	4.60	1.00	21½	Nashville, Tenn	2.0	**Charles J Kane**
153,388	14,248	NYSE	TGR	3.03	0.75	19	Los Angeles, Cal	7.9	**Wayne M Hoffman**
212,618	22,540	NYSE	TL	5.15	1.62	47⅛	New York, NY	26.0	**Andrew Heiskell**
210,019	33,942	NYSE	TMC	4.31	1.20	36½	Los Angeles, Cal	24.3	**Franklin D Murphy**
167,655	11,204	NYSE	TKR	9.14	3.25	51	Canton, Ohio	23.8	**Joseph F Toot Jr**
82,753	17,912	NYSE	TED	2.65	2.20	17½	Toledo, Ohio	2.3	**John P Williamson**
10,512	11,902	OTC	TMBR	0.01	none	33¾	Midland, Tex	0.7	**Thomas C Brown**
102,908	20,670	NYSE	TOS	3.84	none	22¼	Los Angeles, Cal	2.7	**Morton M Winston**
159,992	12,407	NYSE	TU	4.81	2.24	34⅝	Lincolnshire, Ill	13.9	**Jerome W Van Gorkom**
242,225	16,014	NYSE	TWA	–0.41	none	16¼	New York, NY	96.2	**L Edwin Smart**
598,369	65,334	NYSE	TA	3.66	1.03	17	San Francisco, Cal	29.0	**John R Beckett**
312,041	23,223	NYSE	E	2.96	1.21	43⅝	Houston, Tex	2.3	**William J Bowen**
13,931	3,735	NYSE	TFC	3.43	0.40	12¼	Cleveland, Ohio	0.7	**Warner B Bishop**
1,811,947	42,333	NYSE	TIC	9.03	2.08	38⅛	Hartford, Conn	29.3	**Morrison H Beach**
45,853	4,945	OTC	TRGA	5.43	1.45	27½	Atlanta, Ga	3.7	**Robert Strickland**
313,114	29,612	NYSE	TRW	6.07	1.95	38⅜	Cleveland, Ohio	97.9	**Ruben F Mettler**
72,484	21,614	NYSE	TEP	2.17	1.42	14½	Tucson, Ariz	1.1	**Theodore M Welp**
6,991	1,044	ASE	TUR	5.01	1.95	28¼	New York, NY	1.8	**Walter B Shaw**
36,578	7,833	NYSE	TF	6.92	2.40	43½	Los Angeles, Cal	6.7	**Dennis C Stanfill**
116,358	29,515	NYSE	UAL	–2.50	1.00	22⅝	Elk Grove Township, Ill	74.0	**Richard J Ferris**
238,304	24,290	NYSE	UCC	6.22	2.45	42	Wayne, NJ	16.4	**Alexander Calder Jr**
1,124,300	66,206	NYSE	UK	8.47	2.90	42	New York, NY	115.8	**William S Sneath**
13,165	3,780	NYSE	UCM	–2.62	0.20	10¾	Cleveland, Ohio	1.4	**Lyman H Treadway III**
195,955	58,797	NYSE	UEP	1.73	1.44	12	St Louis, Mo	6.8	**Charles J Dougherty**
1,153,695	86,644	NYSE	UCL	5.76	1.28	44¾	Los Angeles, Cal	17.0	**Fred L Hartley**
698,119	47,771	NYSE	UNP	8.02	2.30	72¼	New York, NY	32.9	**James H Evans**
–30,825	26,567	NYSE	R	–4.54	none	4¼	Middlebury, Conn	42.9	**Joseph P Flannery**
29,890	6,703	OTC	UBNY	3.55	1.67	18¾	Albany, NY	2.2	**Peter D Kiernan**
33,598	4,171	OTC	UBKS	4.73	1.56	29⅛	Denver, Colo	2.8	**N Berne Hart**
60,619	10,997	NYSE	UB	1.72	0.20	10⅞	New York, NY	52.0	**Seymour Milstein**
213,581	25,758	NYSE	UER	4.55	1.19	31⅛	Houston, Tex	3.1	**J Hugh Roff Jr**
22,215	5,489	NYSE	UJB	2.40	1.04	10⅝	Princeton, NJ	2.7	**Richard L Wines**
23,682	3,893	OTC	UMSB	3.78	0.89	18¼	Kansas City, Mo	1.7	**R Crosby Kemper**
72,097	14,267	OTC	USBC	3.65	0.84	23½	Portland, Ore	5.4	**John A Elorriaga**
965,872	27 789	NYSE	FG	8.27	2.30	38½	Baltimore, Md	8.6	**Williford Gragg**
178,581	16,040	NYSE	USG	7.39	2.20	31½	Chicago, Ill	20.3	**Graham J Morgan**
47,896	10,573	NYSE	UH	3.79	0.52	15	Houston, Tex	3.1	**Guy R Odom**
74,894	24,761	NYSE	USI	1.85	0.67	8⅝	New York, NY	22.0	**I John Billera**
643,700	86,756	NYSE	X	–4.46	1.60	17½	Pittsburgh, Pa	171.7	**David M Roderick**
12,312	2,999	OTC	USTC	2.44	1.90	20	New York,NY	1.5	**Tom Killefer**
617,957	42,116	NYSE	UTX	6.49	2.20	43	Hartford, Conn	197.7	**Harry J Gray**
507,661	67,664	NYSE	UT	2.63	1.48	19¾	Westwood, Kan	29.6	**Paul H Henson**

All share data adjusted for stock splits and stock dividends through May 12, 1980.

WHERE THEY RANK: 1979								
Assets	Sales	Market Value	Net Profits	Company (fiscal year end)	Assets ($000)	Sales ($000)	Market Value of Common ($000)	Net Profits ($000)
204	■	■	■	**United Virginia Bankshares (Dec)**	3,215,717	310,871	135,997	26,320
■	466	■	■	**Universal Leaf Tobacco (June)**	215,337	978,174	165,129	25,492
■	334	126	191	**Upjohn (Dec)**	1,403,734	1,513,744	1,406,774	149,478
202	■	400	322	**USLIFE (Dec)**	3,227,899	772,043	515,499	89,219
374	■	351	387	**Utah Power & Light (Dec)**	1,954,501	521,789	595,721	72,577
■	375	■	■	**Valero Energy (Dec)**	649,242	1,321,406	261,825	14,667
115	■	■	■	**Valley National Bank of Arizona (Dec)**	5,199,427	476,952	318,339	46,522
93	305	201	128	**Virginia Electric & Power (Dec)**	5,960,584	1,703,309	975,177	196,467
284	■	■	■	**Virginia National Bankshares (Dec)**	2,520,965	252,604	95,599	20,780
■	■	■	425	**Vulcan Materials (Dec)**	542,896	747,745	374,959	63,795
120	■	■	■	**Wachovia (Dec)**	5,096,527	436,674	232,980	42,392
■	380	392	■	**Wal-Mart Stores (Jan)**	457,879	1,294,273	525,420	41,151
■	424	■	■	**Waldbaum (Dec)**	186,759	1,103,443	30,147	7,827
■	366	■	■	**Walgreen (Aug)**	402,350	1,344,542	222,443	30,293
■	■	253	■	**Wang Laboratories (June)**	304,224	321,301	810,784	28,585
473	312	194	122	**Warner Communications (Dec)**	1,545,767	1,648,027	992,791	200,747
235	152	108	239	**Warner-Lambert (Dec)**	2,873,657	3,217,208	1,592,380	123,346
269	476	■	■	**Washington National (Dec)**	2,649,529	946,881	169,295	34,889
■	■	394	■	**Waste Management (Dec)**	407,233	381,522	520,709	36,725
23	262	344	238	**Wells Fargo (Dec)**	20,593,124	2,017,583	612,804	123,416
■	453	■	■	**West Point-Pepperell (Aug)**	591,879	1,012,560	161,525	27,388
■	485	■	■	**Western Air Lines (Dec)**	821,440	932,119	135,186	41,540
15	185	154	118	**Western Bancorporation (Dec)**	29,687,134	2,689,602	1,156,796	203,342
458	■	■	■	**Western Financial (Dec)**	1,651,540	150,128	52,241	17,516
432	■	■	■	**Western Union (Dec)**	1,755,580	718,472	338,561	4,033
77	49	95	63	**Westinghouse Electric (Dec)**	6,821,500	7,332,000	1,710,806	331,100
■	391	397	366	**Westvaco (Oct)**	1,043,354	1,224,159	517,226	77,856
■	438	■	■	**Wetterau (Mar)**	199,152	1,058,967	85,444	12,557
129	93	37	37	**Weyerhaeuser (Dec)**	4,957,945	4,422,653	3,982,180	512,244
■	475	■	■	**Wheelabrator-Frye (Dec)**	650,224	946,923	350,779	42,675
■	389	■	■	**Wheeling-Pittsburgh Steel (Dec)**	846,645	1,242,303	65,829	49,690
■	235	310	270	**Whirlpool (Dec)**	1,037,068	2,261,207	678,750	110,878
■	263	■	436	**White Consolidated Industries (Dec)**	1,161,105	2,010,114	316,583	62,922
■	397	■	■	**White Motor (Dec)**	630,150	1,211,023	54,967	6,372
441	■	■	■	**Whitney Holding (Dec)**	1,728,632	140,312	186,093	20,511
■	433	■	■	**Whittaker (Oct)**	642,819	1,073,634	257,748	46,773
■	249	■	■	**Wickes (Jan)**	880,000	2,095,206	181,419	39,701
■	■	475	411	**Willamette Industries (Dec)**	630,586	863,706	418,614	67,863
362	283	234	404	**Williams Companies (Dec)**	2,011,857	1,850,013	869,600	69,450
■	81	278	309	**Winn-Dixie Stores (June)**	857,239	4,930,538	735,402	94,462
402	■	455	352	**Wisconsin Electric Power (Dec)**	1,830,664	867,565	436,592	82,532
■	470	■	■	**Witco Chemical (Dec)**	566,270	966,758	270,718	42,782
227	53	275	146	**F W Woolworth (Jan)**	2,927,000	6,785,000	746,213	180,000
81	52	24	29	**Xerox (Dec)**	6,553,600	7,027,000	5,227,011	563,100
■	500	■	■	**Zale (Mar)**	609,866	904,464	217,060	43,005
■	328	■	■	**Zayre (Jan)**	522,052	1,549,729	55,278	17,133
■	431	■	■	**Zenith Radio (Dec)**	591,317	1,075,165	183,651	18,963
482	■	■	■	**Zions Utah Bancorporation (Dec)**	1,503,606	150,996	76,176	14,412

■ Not on 500 list

A ROSTER OF THE U.S.'s BIGGEST CORPORATIONS

	SHARE DATA 1979								
Cash Flow ($000)	Shares Outstanding (000)	Where Traded	Ticker Symbol	Earnings Before Extraordinary Items	Dividends	Market Price (Dec 31)	Corporate Headquarters	Number of Employees (000)	Chief Executive
43,357	5,386	OTC	UVBK	4.89	1.44	25¼	Richmond, Va	4.5	**Joseph A Jennings**
33,621	8,866	NYSE	UVV	2.79	1.16	18⅝	Richmond, Va	13.0	**Gordon L Crenshaw**
195,167	29,773	NYSE	UPJ	5.03	1.57	47¼	Kalamazoo, Mich	21.1	**Ray T Parfet Jr**
282,570	22,172	NYSE	USH	3.91	0.67	23¼	New York, NY	4.4	**Gordon E Crosby Jr**
130,558	35,302	NYSE	UTP	1.69	1.76	16⅞	Salt Lake City, Utah	4.0	**Harry Blundell**
44,911	22,283	NYSE	VLO	0.66	none	11¾	San Antonio, Tex	1.3	**William E Greehey**
73,454	10,106	OTC	VNBK	4.65	1.25	31½	Phoenix, Ariz	6.4	**Gilbert F Bradley**
331,002	92,874	NYSE	VEL	1.63	1.38	10½	Richmond, Va	9.6	**T Justin Moore Jr**
37,368	6,890	OTC	VNAT	3.06	1.01	13⅞	Norfolk, Va	4.1	**Clifford A Cutchins III**
111,205	11,493	NYSE	VMC	5.48	1.60	32⅝	Birmingham, Ala	6.2	**W Houston Blount**
65,109	12,766	NYSE	WB	2.71	0.79	18¼	Winston-Salem, NC	5.7	**John G Medlin Jr**
55,589	15,120	NYSE	WMT	2.68	0.28	34¼	Bentonville, Ark	21.6	**Sam M Walton**
19,955	2,461	OTC	WALD	3.18	none	12¼	Central Islip, NY	5.5	**Ira Waldbaum**
42,252	6,690	NYSE	WAG	4.54	1.43	33¼	Deerfield, Ill	28.0	**Charles R Walgreen III**
49,062	25,337	ASE	WAN C	1.17	0.06	32	Lowell, Mass	7.7	**An Wang**
243,308	26,809	NYSE	WCI	7.39	0.71	37⅛	New York, NY	7.5	**Steven J Ross**
251,673	79,619	NYSE	WLA	1.55	1.29	20	Morris Plains, NJ	61.0	**Ward S Hagan**
528,668	6,639	NYSE	WNT	4.75	1.35	25½	Evanston, Ill	5.9	**Stanley P Hutchison**
74,926	11,868	NYSE	WMX	3.10	0.60	43⅞	Oak Brook, Ill	8.2	**Dean L Buntrock**
235,623	22,802	NYSE	WFC	5.45	1.64	26⅞	San Francisco, Cal	17.5	**Richard P Cooley**
55,069	4,550	NYSE	WPM	5.66	2.80	35½	West Point, Ga	23.4	**Joseph L Lanier Jr**
81,627	13,030	NYSE	WAL	2.99	0.40	10⅝	Los Angeles, Cal	10.8	**Dominic P Renda**
360,465	36,870	NYSE	WBC	5.38	1.57	31⅝	Los Angeles, Cal	29.1	**Joseph J Pinola**
15,258	2,223	ASE	WFN	7.77	0.50	23½	Phoenix, Ariz	0.7	**Gary H Driggs**
166,898	15,656	NYSE	WU	-0.34	1.40	21⅝	Upper Saddle River, NJ	12.1	**Robert M Flanagan**
459,700	85,009	NYSE	WX	3.85	0.97	20⅝	Pittsburgh, Pa	145.3	**Robert E Kirby**
148,038	16,889	NYSE	W	4.61	1.37	30⅝	New York, NY	15.9	**David L Luke III**
19,862	7,417	OTC	WETT	1.72	0.69	11⅝	Hazelwood, Mo	3.5	**Ted C Wetterau**
344,674	125,423	NYSE	WY	4.02	1.08	31⅝	Tacoma, Wash	47.8	**George H Weyerhaeuser**
59,977	10,471	NYSE	WFI	3.72	1.20	33½	Hampton, NH	16.0	**Michael D Dingman**
88,544	3,844	NYSE	WHX	12.16	1.00	17⅞	Pittsburgh, Pa	14.0	**Dennis J Carney**
141,893	36,200	NYSE	WHR	3.06	1.35	18¾	Benton Harbor, Mich	24.7	**John H Platts**
95,312	13,260	NYSE	WSW	4.87	1.33	23⅞	Cleveland, Ohio	33.1	**Roy H Holdt**
15,030	9,356	NYSE	WH	0.67	none	5⅞	Farmington Hills, Mich	9.7	**Cruse W Moss**
25,508	2,139	OTC	—	9.58	3.50	87	New Orleans, La	0.8	**Patrick A Delaney**
64,787	13,477	NYSE	WKR	3.28	0.43	19⅝	Los Angeles, Cal	14.5	**Joseph F Alibrandi**
69,000	10,831	NYSE	WIX	3.49	1.01	16¾	San Diego, Cal	18.5	**Emil L McNeely**
105,403	14,373	OTC	WMTT	4.72	1.20	29⅝	Portland, Ore	8.2	**Gene D Knudson**
196,445	27,175	NYSE	WMB	2.55	1.00	32	Tulsa, Okla	7.4	**Joseph H Williams**
163,937	26,864	NYSE	WIN	3.33	1.56	27⅞	Jacksonville, Fla	58.7	**Bert L Thomas**
182,244	19,086	NYSE	WPC	3.75	2.35	22[illegible]	Milwaukee, Wisc	6.6	**Charles S McNeer**
68,545	8,876	NYSE	WIT	4.83	1.30	30[illegible]	New York, NY	6.4	**William Wishnick**
212,000	29,700	NYSE	Z	6.02	1.55	25⅛	New York, NY	204.1	**Edward F Gibbons**
1,555,400	84,137	NYSE	XRX	6.69	2.30	62⅝	Stamford, Conn	115.7	**C Peter McColough**
54,756	10,719	NYSE	ZAL	3.21	1.02	20¼	Dallas, Tex	18.2	**Donald Zale**
38,321	5,083	NYSE	ZY	3.30	none	10⅞	Framingham, Mass	29.0	**Maurice Segall**
37,873	18,336	NYSE	ZE	1.01	0.90	9¾	Glenview, Ill	23.8	**Joseph S Wright**
20,794	3,312	OTC	ZION	4.26	0.88	23	Salt Lake City, Utah	1.6	**Roy W Simmons**

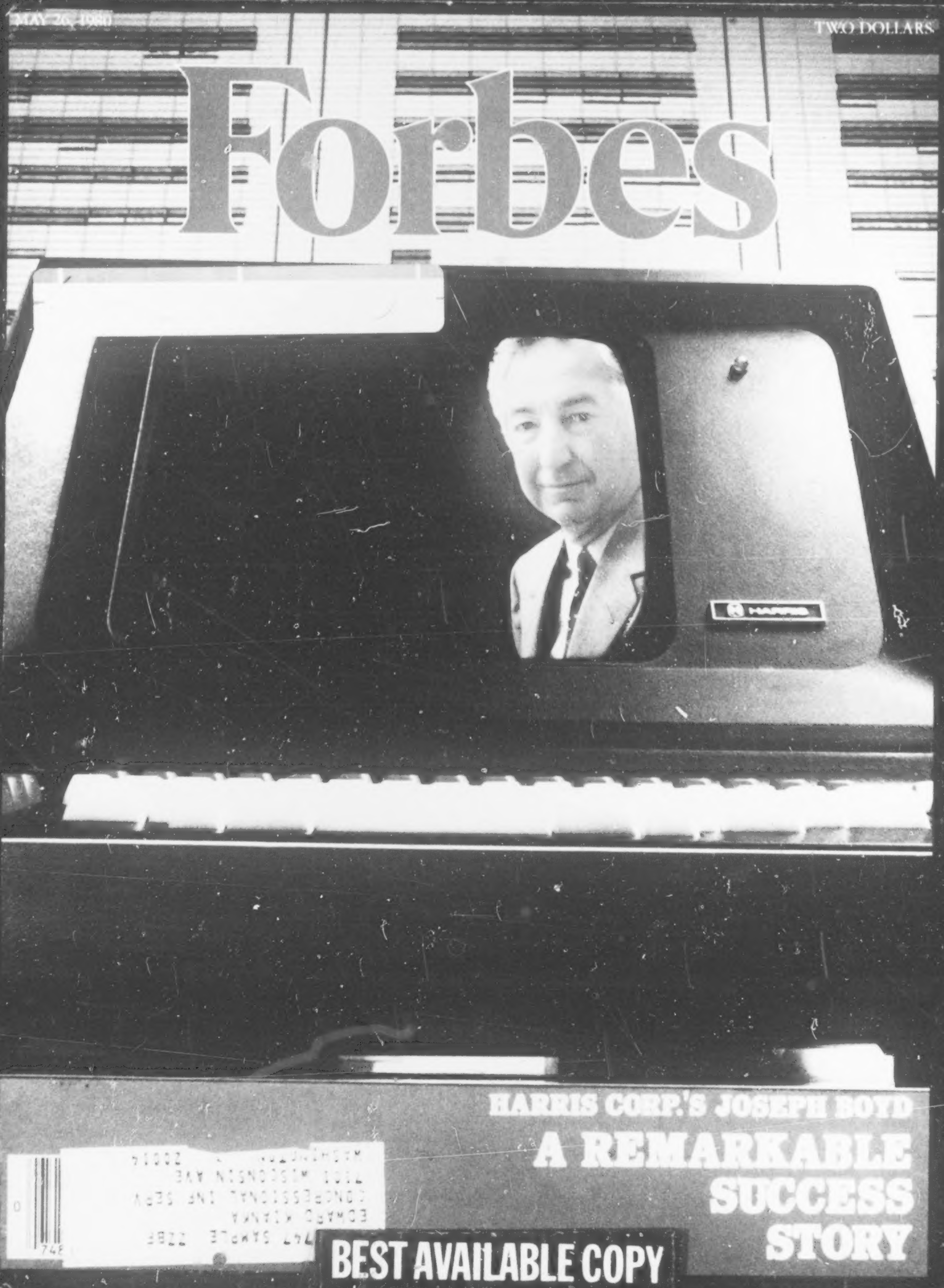
All share data adjusted for stock splits and stock dividends through May 12, 1980.

General Notes: 1) Sales figures exclude excise taxes. 2) Market Value is derived by multiplying the Dec. 31, 1979 closing price of the common stock by the number of shares outstanding at that date. 3) Cash Flow is total funds provided from operations (including discontinued operations) before extraordinary items. 4) 1979 figures were used for those February fiscal year companies for which 1980 results were not available at press time.

MAY 26, 1980

TWO DOLLARS

Forbes



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Forbes

May 26, 1980
Volume 125, Number 11

Cover Story: Remember the old Harris Intertype Corp.? Now it's Harris Corp., a highly profitable company on the outer edge of technology. **45**

Features

Nuclear Energy: *Who Really Loses?* After spending $147 million over the last ten years to carve out a leadership position in nuclear fuel reprocessing research, giant Exxon is virtually throwing in the towel. It has been done in not by the antinukers but by political decisions within the federal bureaucracy. For a company as huge as Exxon, the losses—$215 million so far—will be little more than a pinprick. The fact that, as Senior Vice President Jack F. Bennett says bluntly, "The government simply doesn't want us in the business," will probably hurt the country a lot more than it will hurt Exxon. 33

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Charlie Bluhdorn was right: Under the right circumstances—if you understand the implications of inflation—a liability can be an asset.

The more they owe, the richer they get

Statistical Spotlight

BACK IN THE SIXTIES Wall Street laughed at Gulf & Western founder Charlie Bluhdorn for turning his highly leveraged conglomerate into an inflation hedge. His concept: borrow long and buy assets that would appreciate with inflation. Examples: G&W's Manhattan skyscraper, its Paramount film libraries, forests and mines.

Aha! said Wall Street. Just wait until a real recession hits. The whole pyramid will tumble. As it turns out, Bluhdorn was sharper than his detractors. He understood the implications of inflation. They didn't. The assets—and the earnings they produce—have indeed grown in value with inflation. Compounding the benefit, the burden of the debt has become much lighter. Not only will G&W be paying back in much-cheapened dollars, but interest rates, as low as 5%, also look like a real bargain, at a time when 20% interest rates are common and even the bluest of blue-chip companies has trouble borrowing long. It's a paradox of our times, a product of inflation, that long-term debt at relatively low interest rates can be an asset, not a liability. Bluhdorn understood this long before most of his peers did.

G&W isn't the only company sitting with this perverse kind of asset. Under new Financial Accounting Standards Board rules, some companies are required to show in their annual reports a figure called "purchasing power gain." It tells how much the company gained in real dollars that year because the burden of its debts were reduced by inflation.

On the table below are 46 companies with high debt—and, accordingly, high purchasing-power gains. Of course, a quick qualifier must be that the earnings assets bought with the borrowed money should be doing well enough to offset inflation. Where they aren't, the gain may be more illusory than real. But where the purchased assets—plant and machinery—have maintained their value or increased, the purchasing-power gain is real.—*Maria Latorraca*

Cheap debt

These companies illustrate the benefits of living in inflationary times: Their debt will be paid back in cheaper dollars.

Company	Long-term debt as % of capital	Total long-term debt (mil)	Total capital (mil)	Interest on long-term debt (mil)	Average interest rate	Purchasing power gain* (mil)	Industry
ACF	47%	$ 311	$ 659	$ 25.7	8.5%	$ 62.9	Railroad equipment
Akzona	41	228	552	19.5	9.3	31.6	Chemical
Albertson's	55	216	395	21.3	9.9	36.9	Supermarkets
Alexander & Baldwin	40	180	453	12.9	8.5	8.9	Transportation
Allegheny Ludlum	43	352	822	36.0	10.0	58.6	Specialty steel
Allied Chemical	42	1,013	2,441	71.7	7.3	187.0	Chemical
American Airlines	59	1,260	2,153	77.8	6.7	112.8	Airlines
Braniff International	78	699	898	55.9	10.0	71.7	Airlines
Carter Hawley Hale Stores	47	514	1,098	41.8	8.1	66.3	Retail
Castle & Cooke	44	346	777	28.8	8.6	47.9	Food processing
City Investing	63	1,580	2,507	188.0E	13.2	135.4	Multi-industry
Continental Air Lines	58	297	510	30.1	10.9	35.0	Airlines
Crane	53	417	791	40.0E	10.6	48.4	Building
Diamond Shamrock	43	761	1,780	67.0E	9.0	106.0	Chemical
Dillingham	42	177	422	15.9	8.7	18.9	Multi-industry
Dow Chemical	45	3,128	7,024	255.3	8.3	435.0	Chemical
Eastern Air Lines	74	1,374	1,863	90.6	7.5	132.7	Airlines
Eaton	40	626	1,562	64.6	8.9	96.0	Automotive
Federal Paper Board	45	150	334	13.2	9.3	19.7	Packaging
GATX	69	1,061	1,548	77.2	7.4	131.9	Railroad equipment

*Gain from decline in purchasing power of net amounts owed. E: Estimate

Company	Long-term debt as % of capital	Total long-term debt (mil)	Total capital (mil)	Interest on long-term debt (mil)	Average interest rate	Purchasing power gain* (mil)	Industry
Goodyear Tire & Rubber	41	1,502	3,665	123.9	8.3	224.5	Automotive
Hammermill Paper	40	191	479	13.3	7.0	22.8	Forest products
Hospital Corp of Amer	53	446	836	38.2	8.8	56.8	Health care
LTV	69	1,591	2,309	146.3	9.1	258.9	Steel
Marathon Oil	40	1,136	2,825	107.6	9.8	227.4	Energy
Marriott	49	403	816	32.0E	8.5	55.1	Hotel
Mesa Petroleum	56	504	904	44.0E	9.2	51.0	Energy
Murphy Oil	47	480	1,012	38.5	7.7	81.0	Energy
Northwest Industries	42	664	1,588	60.0E	9.5	104.8	Multi-industry
Occidental Petroleum	41	1,176	2,877	143.6	12.3	240.1	Energy
Pan American	59	1.061	1,787	70.4	7.1	112.3	Airlines
Pennzoil	47	759	1,608	90.0E	10.8	128.4	Energy
Phelps Dodge	38	652	1,695	51.9	7.8	100.9	Mining
Philip Morris	50	2,456	4,927	220.0E	9.5	368.0	Tobacco
Rapid-American	78	886	1,135	112.3	12.3	124.0	Retail
Reynolds Metals	43	913	2,124	65.0	7.1	116.4	Metals
Ryder System	71	739	1,047	63.8	10.1	103.3	Trucking
Scovill	45	171	378	15.4	9.8	17.8	Household products
Sherwin-Williams	46	234	510	18.1	7.6	21.4	Building materials
Standard Oil of Ohio	56	3,892	6,979	437.2	10.2	535.0	Energy
Stop & Shop	59	181	309	16.5E	9.0	36.9	Supermarkets
Trans World	67	1.338	1,989	87.8	6.9	129.1	Airlines
Uniroyal	56	636	1,146	45.0E	7.4	77.6	Automotive
White Consolidated	38	291	763	27.9	9.3	46.6	Home appliances
Williams Cos	49	714	1,458	70.0	9.1	120.0	Fertilizers
Zayre	60	237	397	25.7	11.7	39.3	Retail

*Gain from decline in purchasing power of net amounts owed. E: Estimate

A number of the 500 largest employers showed handsome profits per employee last year. Judge not their "reasonableness" before looking at the capital at work.

A scorecard on capital and labor

THERE IS FODDER for friends as well as enemies of big business, most notably the oil companies, in the tables below. They rank the nation's 500 largest employers and then rank them three other ways—by sales, profits and assets per employee. Not surprisingly, the top five in terms of profit per employee were oil companies. Sohio led, with a profit or $53,700 to show for each of the 22,100 people on its payroll; SoCal ($45,000), Getty ($41,100), Shell ($30,900) and Phillips Petroleum ($39,400). The median profit per employee for all 500 companies on the list was $3,100. The comparison makes a handy stick for those with a mind to beat up on the oil companies for all the money they have been making as the price of crude oil soared.

Those so minded may not be quick to point out, however, that to support those profits the same oil companies backed each of their employees with assets exceeding $400,000—an average of $401,940 per job, to be exact. That compares with a median figure of $45,000 in assets for all 500 companies. The median itself is biased on the high side by the inclusion of the comparatively huge assets in the hands of banks and insurance companies. Thus, Standard Oil of Ohio's $53,700 profit per employee was made possible by an investment of $416,700—a return of 13% on its total capital.

The top 500 employers loom no larger in the total employment picture. No smaller either. Last year the 500 accounted for nearly one in four jobs—22.3 million people in 1979, which was 23% of the 96.9 million at work (the same as in 1978 and 1977 and 1976).

These figures were as of the year's end in 1979. Clearly, it's a different economy this year. At the end of the first quarter some 6.5% fewer people were at work for General Motors, the second largest employer, and 9.8% fewer were working at Ford, number three.

Rank	Company	Employees (000)	Per Employee ($000) Sales (Rank)	Profits (Rank)	Assets (Rank)
1	**American Tel & Tel**	1,029.9	44.1 (406)	5.5 (124)	110.5 (79)
2	**General Motors**	852.7	77.8 (172)	3.4 (222)	37.6 (302)
3	**Ford Motor**	494.6	88.0 (132)	2.4 (296)	47.5 (237)
4	**Sears Roebuck**	424.0	55.8 (306)	1.9 (352)	62.2 (160)
5	**General Electric**	405.0	55.5 (311)	3.5 (213)	41.1 (279)
6	**Intl Tel & Tel**	368.0	59.8 (278)	1.0 (440)	71.1 (134)
7	**IBM**	337.1	67.8 (228)	8.9 (61)	72.8 (126)
8	**K mart**	243.0	52.9 (341)	1.5 (394)	23.2 (428)
9	**General Tel & Elec**	226.8	43.9 (408)	2.8 (266)	81.2 (111)
10	**Mobil**	213.5	209.5 (26)	9.4 (56)	128.8 (70)
11	**J C Penney**	206.0	54.7 (322)	1.2 (418)	24.6 (415)
12	**F W Woolworth**	204.1	33.2 (464)	0.9 (446)	14.3 (483)
13	**United Technologies**	197.7	45.8 (391)	1.6 (384)	32.5 (347)
14	**United States Steel**	171.7	75.3 (183)	def (485)	64.2 (154)
15	**Exxon**	169.1	467.8 (5)	25.4 (11)	292.7 (44)
16	**Goodyear**	150.3	54.8 (320)	1.0 (440)	35.7 (316)
17	**Safeway Stores**	148.9	92.1 (116)	1.0 (440)	20.8 (445)
18	**Westinghouse Elec**	145.3	50.5 (360)	2.3 (309)	46.9 (240)
19	**E I du Pont**	135.5	92.8 (111)	6.9 (95)	66.0 (146)
20	**Gulf & Western Inds**	127.2	41.6 (419)	1.8 (363)	40.6 (284)
21	**Eastman Kodak**	126.3	63.6 (248)	7.9 (72)	59.8 (169)
22	**RCA**	120.0	62.1 (255)	2.4 (296)	49.9 (224)
23	**Kroger**	118.4	76.3 (179)	0.7 (456)	15.0 (480)
24	**Union Carbide**	115.8	79.2 (168)	4.8 (149)	76.0 (120)
25	**Xerox**	115.7	60.7 (266)	4.9 (142)	56.6 (183)
26	**Rockwell Intl**	114.5	53.9 (330)	2.3 (309)	36.0 (314)
27	**Federated Dept Stores**	112.5	51.6 (351)	1.8 (363)	29.3 (375)
28	**Halliburton**	112.1	69.3 (220)	3.4 (222)	35.0 (324)
29	**ARA Services**	112.0	17.9 (491)	0.5 (471)	7.7 (499)
30	**Boeing**	110.6	73.5 (198)	4.6 (157)	44.3 (257)
31	**McDonald's**	110.0	17.4 (494)	1.7 (372)	21.4 (439)
32	**Chrysler**	109.3	109.8 (79)	def (485)	60.9 (165)
33	**Firestone**	107.0	49.4 (367)	0.7 (456)	32.3 (351)
33	**Tenneco**	107.0	104.8 (88)	5.3 (131)	108.7 (81)
35	**PepsiCo**	105.0	48.5 (374)	2.5 (289)	27.5 (395)
36	**TRW**	97.9	46.6 (388)	2.0 (342)	26.8 (405)
37	**Bethlehem Steel**	97.7	73.1 (199)	2.8 (266)	52.9 (204)
38	**Intl Harvester**	97.7	85.9 (142)	3.8 (194)	53.7 (201)
39	**Trans World**	96.2	45.1 (399)	0.1 (483)	29.2 (376)
40	**Honeywell**	94.6	44.5 (404)	2.5 (289)	35.3 (319)
41	**Consolidated Foods**	94.5	50.0 (363)	1.2 (418)	22.1 (434)
42	**Caterpillar Tractor**	89.4	85.2 (145)	5.5 (124)	60.4 (167)
43	**Beatrice Foods**	88.0	94.2 (108)	3.3 (232)	45.2 (252)
44	**Minn Mining & Mfg**	87.7	62.0 (256)	7.5 (78)	52.2 (207)
45	**Sperry**	87.3	47.9 (379)	2.6 (283)	42.7 (267)
46	**Texas Instruments**	85.8	37.6 (446)	2.0 (342)	22.2 (433)
47	**Schlumberger**	85.0	41.8 (416)	7.7 (76)	51.5 (214)
48	**McDonnell Douglas**	82.7	63.8 (246)	2.4 (296)	40.9 (281)
49	**W R Grace**	82.1	64.1 (245)	2.7 (272)	45.4 (249)
50	**General Dynamics**	81.6	49.8 (364)	2.3 (309)	24.6 (415)
51	**BankAmerica**	81.0	116.7 (68)	7.4 (79)	1338.1 (7)
52	**R J Reynolds Inds**	79.5	89.7 (126)	6.9 (95)	80.8 (13)
53	**Litton Industries**	77.7	52.6 (345)	2.4 (296)	36.7 (309)
54	**Household Finance**	77.0	69.0 (223)	2.1 (326)	87.4 (103)
54	**Singer**	77.0	33.7 (463)	def (485)	19.3 (457)
56	**Motorola**	75.0	36.2 (453)	2.1 (326)	25.4 (410)
57	**UAL**	74.0	51.8 (350)	def (485)	52.2 (207)
58	**Bendix**	73.7	52.3 (347)	2.2 (318)	31.4 (362)
59	**Ralston Purina**	73.6	62.5 (253)	1.7 (372)	29.7 (372)
60	**Johnson & Johnson**	71.8	58.7 (288)	4.9 (142)	40.0 (290)

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The Employee Roster

Rank	Company	Employees (000)	Per Employee ($000) Sales (Rank)	Profits (Rank)	Assets (Rank)
61	**May Dept Stores**	71.2	41.8 (416)	1.6 (384)	29.6 (374)
62	**Pan Am World Airways**	69.4	35.8 (456)	1.1 (428)	38.6 (300)
63	**City Investing**	69.4	72.6 (202)	1.9 (352)	98.9 (89)
64	**LTV**	68.1	117.4 (67)	2.2 (318)	56.8 (182)
65	**Raytheon**	67.2	55.5 (311)	2.9 (257)	34.2 (337)
66	**Burlington Inds**	67.0	39.9 (431)	1.1 (428)	29.2 (376)
66	**NCR**	67.0	44.8 (402)	3.5 (213)	43.6 (263)
68	**Lockheed**	66.5	61.0 (263)	0.5 (471)	31.8 (356)
69	**Texaco**	65.8	582.8 (3)	26.7 (10)	349.4 (34)
70	**Marriott**	65.7	23.0 (487)	1.1 (428)	16.4 (475)
71	**Deere**	65.4	75.4 (182)	4.7 (153)	63.9 (157)
72	**Philip Morris**	65.0	94.5 (106)	7.8 (74)	98.1 (90)
73	**IC Industries**	65.0	57.5 (299)	1.6 (384)	55.7 (188)
74	**General Mills**	64.2	58.3 (292)	2.3 (309)	28.6 (384)
75	**Textron**	64.0	53.0 (339)	2.7 (272)	32.5 (347)
76	**Monsanto**	63.9	96.9 (99)	5.2 (134)	86.7 (104)
77	**Owens-Illinois**	63.8	55.3 (314)	2.1 (326)	45.6 (248)
78	**American Stores**	63.7	59.4 (280)	0.7 (456)	19.0 (458)
79	**Great Atl & Pac Tea**	63.0	106.1 (84)	def (485)	19.5 (453)
79	**Lucky Stores**	63.0	92.3 (115)	1.6 (384)	19.4 (455)
81	**Continental Group**	62.1	70.4 (213)	3.0 (252)	57.9 (176)
82	**Warner-Lambert**	61.0	52.7 (343)	2.0 (342)	47.1 (239)
83	**J Ray McDermott**	60.4	52.1 (349)	1.5 (394)	54.7 (193)
84	**Procter & Gamble**	59.0	158.1 (41)	9.8 (54)	96.0 (93)
85	**Winn-Dixie Stores**	58.7	84.0 (150)	1.6 (384)	14.6 (481)
86	**Pillsbury**	58.1	37.3 (449)	1.4 (404)	31.1 (365)
87	**Eaton**	57.8	58.1 (294)	2.7 (272)	40.8 (282)
88	**Gulf Oil**	57.6	415.1 (7)	23.0 (12)	299.7 (42)
89	**Control Data**	57.2	56.8 (303)	2.1 (326)	118.6 (74)
90	**Burroughs**	56.5	49.3 (369)	5.4 (128)	59.9 (168)
91	**Southern Pacific**	56.3	46.7 (387)	3.2 (239)	89.3 (99)
92	**Burlington Northern**	56.1	57.9 (296)	3.1 (247)	75.4 (122)
93	**Borg-Warner**	56.1	48.4 (376)	2.8 (266)	32.4 (349)
94	**Dow Chemical**	55.9	165.6 (35)	14.0 (32)	183.4 (57)
95	**American Can**	55.5	81.4 (158)	2.3 (309)	48.3 (232)
96	**Dresser Industries**	55.2	62.6 (252)	4.1 (181)	45.4 (249)
97	**Armco**	54.8	91.9 (118)	4.0 (186)	59.5 (171)
98	**American Brands**	54.7	69.0 (223)	6.3 (107)	67.1 (142)
99	**Allied Stores**	54.0	41.5 (421)	1.7 (372)	27.5 (395)
100	**Emerson Electric**	53.9	48.5 (374)	3.7 (200)	31.5 (361)
101	**Carter Hawley Hale**	53.0	45.4 (396)	1.3 (414)	27.9 (391)
101	**Signal Companies**	53.0	81.0 (160)	3.8 (194)	53.8 (200)
103.	**Greyhound**	52.3	[illegible] (125)	2.4 (296)	34.8 (330)
104	**Standard Oil Ind**	52.3	355.8 (11)	28.8 (7)	327.9 (35)
105	**Hewlett-Packard**	52.0	45.4 (396)	3.9 (190)	36.5 (311)
105	**United Brands**	52.0	66.7 (234)	0.4 (475)	23.4 (426)
107	**Atlantic Richfield**	51.8	313.4 (15)	22.5 (13)	267.1 (48)
108	**Citicorp**	51.6	211.3 (25)	10.5 (49)	2061.4 (5)
109	**American Standard**	50.8	47.9 (379)	2.6 (283)	28.0 (390)
110	**American Home Prod**	50.3	67.6 (229)	7.9 (72)	41.6 (276)
111	**Associated Dry Goods**	50.0	35.7 (457)	0.9 (446)	19.6 (451)
111	**General Foods**	50.0	109.5 (82)	4.6 (157)	51.3 (216)
111	**Interco**	50.0	40.5 (428)	2.1 (326)	24.8 (413)
111	**Walter Kidde**	50.0	45.7 (393)	1.7 (372)	30.8 (367)
115	**International Paper**	49.4	91.8 (119)	10.6 (48)	98.0 (91)

Rank	Company	Employees (000)	Per Employee ($000) Sales (Rank)	Profits (Rank)	Assets (Rank)
116	**Allied Chemical**	49.0	88.4 (130)	0.2 (479)	85.9 (106)
117	**Colgate-Palmolive**	48.8	92.1 (116)	2.3 (309)	49.8 (225)
118	**Melville**	48.6	41.6 (419)	2.1 (326)	15.9 (478)
119	**Rapid-American**	48.0	48.2 (377)	0.7 (456)	33.1 (344)
120	**Weyerhaeuser**	47.8	92.5 (113)	10.7 (47)	103.7 (85)
121	**Teledyne**	47.8	75.0 (186)	7.2 (85)	75.7 (121)
122	**Ingersoll-Rand**	47.5	53.5 (334)	3.1 (247)	44.8 (254)
123	**Kraft**	47.4	135.7 (55)	4.0 (186)	53.2 (202)
124	**Alcoa**	46.8	102.3 (93)	10.8 (46)	100.7 (88)
125	**FMC**	46.2	71.6 (207)	3.3 (232)	52.7 (206)
126	**Levi Strauss**	44.7	47.0 (385)	4.3 (170)	28.9 (380)
127	**Southland**	44.3	87.0 (138)	1.5 (394)	30.9 (366)
128	**American Cyanamid**	44.2	72.1 (204)	3.8 (194)	64.0 (156)
129	**Digital Equipment**	44.0	41.0 (425)	4.1 (181)	42.3 (273)
129	**Georgia-Pacific**	44.0	118.3 (65)	7.4 (79)	93.6 (94)
129	**R H Macy**	44.0	46.8 (386)	1.7 (372)	27.2 (399)
132	**Esmark**	44.0	153.3 (43)	2.1 (326)	54.3 (196)
133	**J P Stevens**	43.9	41.8 (416)	1.1 (428)	23.7 (424)
134	**Castle & Cooke**	43.7	36.5 (452)	0.7 (456)	26.9 (402)
135	**Combustion Engnrng**	43.3	63.7 (247)	2.3 (309)	48.1 (233)
136	**Champion Intl**	43.2	86.8 (139)	5.7 (120)	70.4 (135)
137	**Northwest Industries**	43.0	60.0 (273)	4.0 (186)	51.1 (218)
138	**Uniroyal**	42.9	60.0 (273)	def (485)	38.9 (299)
139	**Republic Steel**	42.7	93.4 (110)	2.8 (266)	64.4 (153)
140	**Santa Fe Industries**	42.6	60.0 (273)	5.3 (131)	91.2 (95)
141	**Genl Tire & Rubber**	42.2	54.4 (328)	1.9 (352)	42.6 (268)
142	**B F Goodrich**	42.2	70.8 (210)	2.0 (342)	49.3 (228)
143	**H J Heinz**	41.1	60.1 (272)	2.7 (272)	39.5 (294)
144	**American Airlines**	41.0	79.3 (166)	2.1 (326)	77.6 (116)
145	**CPC International**	41.0	90.2 (123)	4.4 (164)	50.4 (222)
145	**Pfizer**	41.0	67.0 (233)	[illegible] (119)	74.4 (123)
145	**Pullman**	41.0	78.0 (170)	1.2 (418)	31.7 (357)
148	**American Express**	40.7	114.7 (71)	8.5 (65)	420.2 (26)
149	**Conoco**	40.5	312.3 (16)	20.1 (17)	229.9 (52)
150	**Sun Company**	40.1	266.0 (21)	17.5 (23)	186.0 (56)
151	**Dayton Hudson**	40.0	84.6 (148)	4.8 (149)	45.8 (247)
151	**Hospital Corp of Am**	40.0	22.5 (488)	1.4 (404)	26.9 (402)
151	**IU International**	40.0	65.5 (242)	1.7 (372)	55.7 (188)
154	**Chessie System**	39.9	46.6 (388)	3.0 (252)	[illegible] (107)
155	**Standard Oil Calif**	39.7	754.3 (2)	45.0 (2)	455.8 (24)
156	**Saga**	39.5	16.6 (497)	0.0 (484)	4.6 (500)
157	**Borden**	39.3	109.7 (81)	3.4 (222)	62.7 (159)
158	**Holiday Inns**	39.3	28.3 (478)	1.4 (404)	31.2 (364)
159	**Eastern Air Lines**	38.9	74.1 (194)	1.5 (394)	63.1 (158)
160	**CBS**	38.7	94.8 (105)	5.2 (134)	56.3 (187)
161	**Coca-Cola**	38.6	128.5 (58)	10.9 (45)	76.1 (119)
162	**Denny's**	38.2	16.3 (499)	0.7 (456)	10.8 (494)
162	**PPG Industries**	38.2	80.9 (162)	5.7 (120)	69.4 (136)
164	**McGraw-Edison**	38.0	35.0 (459)	1.9 (352)	50.6 (220)
164	**Nabisco**	38.0	62.2 (254)	2.6 (283)	34.1 (337)
166	**Campbell Soup**	38.0	59.2 (284)	3.5 (213)	34.9 (327)
167	**Reynolds Metals**	37.6	87.9 (133)	4.7 (153)	77.7 (115)
168	**Aetna Life & Cas**	37.5	305.3 (17)	14.9 (30)	806.1 (14)
169	**Emhart**	37.5	42.0 (414)	1.4 (404)	25.7 (409)
170	**North Amer Philips**	37.4	64.4 (244)	2.2 (318)	34.5 (331)

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The Employee Roster

		Employees	Per Employee ($000)					Employees	Per Employee ($000)		
Rank	Company	(000)	Sales(Rank)	Profits(Rank)	Assets(Rank)	Rank	Company	(000)	Sales(Rank)	Profits(Rank)	Assets(Rank)
171	**Inland Steel**	37.3	97.5 (98)	3.5 (21[illegible])	73.1 (125)	226	**Brunswick**	28.0	44.9 (401)	1.8 (363)	35.3 (319)
172	**Seaboard Coast Line**	37.3	58.3 (292)	3.6 (206)	91.2 (95)	226	**Grumman**	28.0	52.7 (343)	0.7 (456)	28.5 (385)
173	**Norton Simon**	37.0	73.1 (199)	3.4 (222)	64.6 (152)	226	**Sunbeam**	28.0	47.2 (382)	1.7 (372)	29.2 (376)
173	**Sambo's Restaurants**	37.0	15.4 (500)	def (485)	12.4 (488)	226	**Supermarkets General**	28.0	84.7 (146)	0.8 (451)	18.8 (460)
175	**National Steel**	36.5	116.0 (69)	3.5 (213)	86.6 (105)	226	**Walgreen**	28.0	48.0 (378)	1.1 (428)	14.4 (482)
176	**Dana**	36.5	75.6 (181)	4.5 (161)	48.1 (233)	231	**Abbott Laboratories**	27.8	60.5 (270)	6.4 (104)	62.2 (160)
177	**Gould**	36.4	55.7 (308)	2.9 (257)	44.3 (257)	232	**Howard Johnson**	27.6	20.9 (490)	1.2 (418)	17.6 (467)
178	**Shell Oil**	36.4	396.5 (8)	30.9 (4)	443.0 (25)	233	**Avco**	27.1	71.3 (208)	4.7 (153)	195.6 (54)
179	**Kennecott Copper**	36.2	67.2 (232)	3.6 (206)	76.9 (117)	234	**Chromalloy American**	27.0	56.9 (301)	1.9 (352)	35.2 (321)
180	**Humana**	35.9	25.8 (483)	1.1 (428)	33.2 (343)	235	**Sterling Drug**	27.0	55.6 (309)	4.1 (181)	42.6 (268)
181	**Boise Cascade**	35.7	81.7 (156)	4.9 (142)	64.7 (151)	236	**Squibb**	27.0	53.8 (333)	4.6 (157)	66.4 (144)
182	**INA**	35.3	128.9 (57)	6.9 (95)	254.6 (50)	236	**Stop & Shop**	27.0	69.6 (217)	0.6 (467)	16.6 (473)
183	**Delta Air Lines**	34.5	70.4 (213)	4.0 (186)	51.8 (210)	238	**Pacific Gas & Elec**	26.9	162.5 (39)	17.0 (24)	383.3 (32)
184	**Avon Products**	34.3	69.3 (220)	7.3 (84)	41.0 (280)	239	**Merrill Lynch**	26.9	76.3 (179)	4.4 (164)	392.4 (30)
185	**Occidental Petroleum**	34.2	279.4 (19)	16.4 (28)	162.6 (59)	240	**Kaiser Alum & Chem**	26.8	109.2 (83)	8.7 (62)	111.0 (78)
186	**Bristol-Myers**	34.0	81.0 (160)	6.8 (98)	56.5 (185)	241	**Southern Company**	26.5	118.0 (66)	8.3 (67)	398.2 (29)
187	**Gillette**	33.9	58.5 (290)	3.3 (232)	45.1 (253)	242	**Genesco**	26.5	37.5 (448)	0.2 (479)	13.6 (485)
188	**Jewel Companies**	33.4	112.7 (74)	1.5 (394)	30.3 (369)	242	**Eli Lilly**	26.5	83.2 (152)	12.4 (38)	82.2 (109)
189	**Celanese**	33.3	94.5 (106)	4.2 (173)	71.5 (131)	244	**Cooper Industries**	26.5	52.6 (345)	4.2 (173)	56.6 (183)
190	**Fruehauf**	33.1	74.1 (194)	2.7 (272)	45.3 (251)	245	**Beneficial Corp**	26.4	87.7 (134)	3.8 (194)	311.4 (38)
191	**White Consolidated**	33.1	60.7 (266)	1.9 (352)	35.1 (322)	246	**Owens-Corning Fbrgls**	26.3	85.4 (144)	4.2 (173)	57.1 (179)
192	**Baxter Travenol Labs**	33.0	36.1 (455)	3.4 (222)	39.1 (296)	247	**General Signal**	26.2	51.3 (354)	3.2 (239)	37.1 (305)
193	**Penn Central**	32.9	33.0 (466)	1.7 (372)	163.9 (58)	248	**Brown Group**	26.0	44.0 (407)	1.6 (384)	19.4 (455)
194	**Union Pacific**	32.9	121.3 (62)	11.6 (43)	154.6 (62)	248	**Time Inc**	26.0	96.3 (100)	5.5 (124)	80.9 (112)
195	**Chase Manhattan**	32.5	187.1 (31)	[illegible] (57)	1991.0 (6)	250	**Schering-Plough**	25.9	55.4 (313)	8.6 (63)	61.5 (163)
196	**Johns-Manville**	32.5	70.3 (215)	3.5 (213)	71.5 (131)	251	**Norton**	25.4	44.6 (403)	3.2 (239)	31.9 (355)
197	**Natl Semiconductor**	32.3	22.3 (489)	1.1 (428)	11.9 (490)	252	**Albertson's**	25.3	105.7 (86)	1.5 (394)	22.6 (431)
198	**Colt Industries**	32.1	66.7 (234)	3.5 (213)	40.5 (287)	253	**Jim Walter**	25.2	76.7 (177)	3.9 (190)	81.3 (110)
199	**Ogden**	32.0	70.0 (216)	1.8 (363)	37.5 (303)	254	**Pitney Bowes**	25.2	40.7 (427)	2.5 (289)	35.8 (315)
200	**Revlon**	31.9	53.9 (330)	4.8 (149)	46.1 (244)	255	**Lear Siegler**	25.1	52.9 (341)	2.5 (289)	28.4 (387)
201	**Crown Zellerbach**	31.6	88.7 (128)	4.2 (173)	68.4 (138)	256	**GK Technologies**	25.0	45.6 (394)	2.4 (296)	27.4 (398)
202	**Dart Industries**	31.2	77.0 (174)	5.5 (124)	61.1 (164)	256	**Mead**	25.0	102.8 (91)	5.6 (123)	65.5 (148)
203	**St Regis Paper**	31.1	80.3 (163)	5.1 (139)	72.7 (127)	258	**Heublein**	24.9	52.3 (347)	2.7 (272)	39.0 (297)
204	**Hilton Hotels**	31.0	16.6 (497)	3.2 (239)	20.5 (448)	259	**Whirlpool**	24.7	91.5 (121)	4.5 (161)	42.0 (274)
204	**Quaker Oats**	31.0	63.4 (249)	2.7 (272)	36.5 (311)	260	**Norfolk & Western Ry**	24.4	59.4 (280)	8.1 (70)	115.5 (75)
206	**Kimberly-Clark**	30.8	72.0 (205)	10.2 (50)	68.3 (139)	261	**Hercules**	24.4	96.1 (102)	7.1 (89)	72.2 (129)
207	**Merck**	30.8	77.4 (173)	12.4 (38)	84.9 (108)	262	**Dun & Bradstreet**	24.3	39.2 (434)	3.7 (200)	27.7 (394)
208	**Amer Hospital Supply**	30.7	66.4 (237)	3.6 (206)	41.6 (276)	263	**Consol Freightways**	24.3	70.8 (210)	2.7 (272)	31.7 (357)
209	**Phillips Petroleum**	30.3	313.6 (14)	29.4 (5)	281.1 (45)	263	**Johnson Controls**	24.3	42.2 (412)	2.1 (326)	28.9 (380)
210	**Corning Glass Works**	30.2	47.1 (384)	4.1 (181)	45.9 (245)	265	**Times Mirror**	24.3	67.4 (230)	6.0 (114)	55.5 (191)
210	**Martin Marietta**	30.2	68.2 (226)	5.9 (116)	58.7 (174)	266	**Jack Eckerd**	24.0	55.2 (315)	2.5 (289)	20.4 (449)
212	**Blue Bell**	30.0	34.3 (462)	2.2 (318)	22.6 (431)	267	**General Instrument**	24.0	29.9 (474)	2.1 (326)	21.4 (439)
213	**United Telecom**	29.6	60.5 (270)	6.2 (109)	130.8 (69)	268	**Cummins Engine**	23.8	74.4 (191)	2.4 (296)	46.3 (243)
214	**Loews**	29.4	130.3 (56)	6.2 (109)	300.8 (41)	269	**Armstrong Cork**	23.8	56.3 (304)	2.8 (266)	36.8 (307)
215	**Allis-Chalmers**	29.3	67.3 (231)	2.8 (266)	51.6 (211)	270	**Zenith Radio**	23.8	45.2 (398)	0.8 (451)	24.8 (413)
216	**Travelers**	29.3	269.2 (20)	13.2 (35)	653.9 (15)	271	**Timken**	23.8	53.9 (330)	4.3 (170)	39.6 (291)
217	**Ashland Oil**	29.2	221.7 (23)	18.0 ([illegible])	106.6 (83)	272	**Standard Brands**	23.6	110.7 (76)	3.7 (200)	58.7 (174)
218	**AMF**	29.1	49.4 (367)	1.8 ([illegible])	32.3 (351)	273	**Fluor**	23.5	150.8 (46)	4.2 (173)	53.9 (198)
219	**Western Bancorp**	29.1	92.4 (114)	7.0 (92)	1020.2 (11)	274	**West Point-Pepperell**	23.4	43.3 (411)	1.2 (418)	25.3 (411)
220	**Transamerica**	29.0	139.5 (52)	8.2 (68)	275.3 (47)	275	**Scovill**	23.3	40.4 (429)	1.4 (404)	24.6 (415)
220	**Zayre**	29.0	53.4 (336)	0.6 (467)	18.0 (463)	276	**Security Pacific**	23.3	104.6 (89)	7.0 (92)	1069.7 (10)
222	**Northrop**	28.8	54.9 (318)	3.1 (247)	34.4 (332)	277	**Continental Corp**	23.2	140.2 (51)	12.4 (38)	321.5 (36)
223	**SCM**	28.6	61.3 (261)	1.7 (372)	34.3 (334)	278	**Cannon Mills**	23.2	26.2 (482)	1.6 (384)	17.5 (469)
224	**Morrison-Knudsen**	28.5	47.9 (379)	0.9 (446)	22.0 (436)	279	**Campbell Taggart**	23.2	43.4 (410)	1.4 (404)	18.2 (462)
225	**American Motors**	28.4	109.8 (79)	2.4 (296)	39.6 (291)	280	**Consolidated Edison**	23.1	144.3 (48)	14.0 (32)	308.8 (39)

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Rank	Company	Employees	Per Employee ($000)		
		(000)	Sales(Rank)	Profits(Rank)	Assets(Rank)
281	**NL Industries**	23.0	78.7 (169)	3.7 (200)	69.0 (137)
282	**Carnation**	22.7	124.5 (59)	6.1 (111)	65.4 (149)
283	**Missouri Pacific**	22.6	87.7 (134)	8.0 (71)	106.7 (82)
284	**Amfac**	22.6	74.8 (189)	2.5 (289)	47.4 (238)
285	**American Elec Power**	22.6	124.5 (59)	11.5 (44)	388.5 (31)
286	**Springs Mills**	22.5	36.8 (451)	1.6 (384)	24.2 (420)
287	**Standard Oil Ohio**	22.1	358.2 (10)	53.7 (1)	416.7 (27)
288	**U S Industries**	22.0	57.9 (296)	2.3 (309)	39.6 (291)
289	**Cluett, Peabody**	21.9	31.1 (470)	0.8 (451)	17.8 (465)
290	**Gamble-Skogmo**	21.9	93.7 (109)	1.4 (404)	49.2 (229)
291	**Clark Equipment**	21.8	79.7 (165)	4.9 (142)	48.8 (230)
292	**Roadway Express**	21.8	50.2 (362)	2.6 (283)	23.6 (425)
293	**Olin**	21.7	81.9 (155)	3.3 (232)	67.3 (141)
294	**United States Shoe**	21.7	38.3 (438)	1.3 (414)	20.7 (447)
295	**Wal-Mart Stores**	21.6	59.9 (277)	1.9 (352)	21.2 (443)
296	**Southern Railway**	21.6	67.9 (227)	7.4 (79)	133.7 (68)
297	**Hoover**	21.5	35.1 (458)	1.8 (363)	22.8 (430)
298	**Tektronix**	21.3	36.9 (450)	3.6 (206)	30.2 (370)
299	**Square D**	21.2	39.0 (435)	3.4 (222)	26.6 (406)
300	**Mfrs Hanover**	21.2	181.4 (33)	10.0 (51)	2248.8 (4)
301	**Koppers**	21.1	86.6 (140)	4.1 (181)	53.9 (198)
302	**Upjohn**	21.1	71.7 (206)	7.1 (89)	66.5 (143)
303	**Black & Decker**	21.0	57.4 (300)	4.5 (161)	43.4 (265)
303	**Walt Disney**	21.0	37.9 (442)	5.4 (128)	57.0 (180)
303	**Gannett**	21.0	50.7 (357)	6.4 (104)	50.0 (223)
306	**Crane**	21.0	74.9 (188)	2.6 (283)	49.6 (226)
307	**Kellogg**	20.8	88.8 (127)	7.8 (74)	50.5 (221)
308	**Scott Paper**	20.8	91.7 (120)	6.6 (102)	88.0 (100)
309	**Edison Bros Stores**	20.7	38.3 (438)	2.2 (318)	17.4 (471)
310	**Becton, Dickinson**	20.6	39.3 (432)	3.0 (252)	35.4 (317)
311	**Cessna Aircraft**	20.5	45.8 (391)	2.2 (318)	27.5 (395)
312	**United States Gypsum**	20.3	75.1 (185)	6.1 (111)	51.6 (211)
313	**Parker-Hannifin**	20.2	41.9 (415)	2.5 (289)	27.8 (393)
314	**Duke Power**	20.1	74.3 (192)	13.7 (34)	279.9 (46)
315	**AM International**	20.0	37.7 (444)	0.5 (471)	27.2 (399)
315	**First Natl Supermkts**	20.0	55.6 (309)	0.2 (479)	11.7 (491)
315	**Hart Schaff & Marx**	20.0	31.5 (468)	1.1 (428)	17.5 (469)
315	**Ramada Inns**	20.0	17.4 (494)	0.8 (451)	31.6 (359)
315	**Tandy**	20.0	60.8 (265)	4.2 (173)	30.5 (368)
320	**Dillon Companies**	19.9	90.1 (124)	1.7 (372)	19.5 (453)
321	**Libbey-Owens-Ford**	19.9	60.7 (266)	2.9 (257)	42.4 (271)
322	**Allegheny Ludlum Inds**	19.9	77.9 (171)	3.6 (206)	57.3 (178)
323	**Mercantile Stores**	19.6	54.5 (326)	2.2 (318)	29.9 (371)
324	**Chesebrough-Pond's**	19.4	60.7 (266)	4.3 (170)	40.7 (283)
325	**American Intl Group**	19.4	120.0 (63)	11.9 (41)	295.2 (43)
326	**Harris Corp**	19.4	50.6 (358)	3.3 (232)	42.4 (271)
327	**Ryder System**	19.4	75.0 (186)	3.2 (239)	79.2 (114)
328	**Fuqua Industries**	19.4	106.0 (85)	3.4 (222)	47.7 (235)
329	**Baker International**	19.0	61.5 (258)	5.2 (134)	59.1 (172)
330	**Continental Tel**	19.0	59.7 (279)	6.0 (114)	155.0 (61)
331	**National Svc Inds**	18.8	37.7 (444)	2.1 (326)	18.0 (463)
332	**Rexnord**	18.7	54.0 (329)	3.1 (247)	37.4 (304)
333	**MCA**	18.7	72.4 (203)	7.4 (79)	121.8 (72)
334	**AMP**	18.6	54.5 (326)	6.5 (103)	44.3 (257)
335	**Cities Service**	18.5	339.3 (12)	18.8 (19)	258.0 (49)
335	**Diamond Intl**	18.5	69.4 (219)	3.3 (232)	44.3 (257)
335	**Evans Products**	18.5	80.1 (164)	3.4 (222)	42.6 (268)
335	**Wickes**	18.5	113.3 (72)	2.1 (326)	47.6 (236)
339	**VF**	18.5	29.4 (475)	2.1 (326)	17.6 (467)
340	**United Merch & Mfrs**	18.4	38.0 (441)	0.8 (451)	29.1 (379)
341	**Polaroid**	18.4	74.0 (196)	2.0 (342)	67.6 (140)
342	**ENSERCH**	18.4	121.6 (61)	5.1 (139)	102.3 (87)
343	**G D Searle**	18.3	49.1 (371)	4.8 (149)	61.8 (162)
344	**Zale**	18.2	49.7 (366)	2.4 (296)	33.5 (340)
345	**SmithKline**	18.1	74.6 (190)	12.9 (36)	66.1 (145)
346	**G C Murphy**	18.0	42.1 (413)	0.6 (467)	16.0 (477)
347	**Anchor Hocking**	18.0	43.6 (409)	1.8 (363)	28.7 (383)
348	**Scott & Fetzer**	17.9	39.0 (435)	1.9 (352)	22.1 (434)
349	**Anderson, Clayton**	17.9	83.2 (152)	2.7 (272)	41.2 (278)
350	**Foremost-McKesson**	17.7	187.2 (30)	3.3 (232)	64.1 (155)
351	**Leaseway Transportn**	17.6	53.3 (336)	2.4 (296)	44.6 (255)
352	**Stanley Works**	17.5	49.8 (364)	2.9 (257)	32.8 (345)
353	**Anheuser-Busch Cos**	17.5	158.6 (40)	8.2 (68)	110.1 (80)
354	**Chemical New York**	17.5	188.1 (29)	7.7 (76)	2250.0 (3)
355	**Wells Fargo**	17.5	115.3 (70)	7.1 (89)	1176.7 (8)
356	**AMAX**	17.4	164.7 (37)	21.0 (14)	226.2 (53)
357	**Alco Standard**	17.1	112.1 (75)	2.9 (257)	40.5 (287)
358	**A C Nielsen**	17.1	23.3 (486)	1.5 (394)	16.4 (475)
359	**Kellwood**	17.0	30.7 (472)	0.3 (476)	17.7 (466)
359	**Louisiana-Pacific**	17.0	76.6 (178)	6.3 (107)	64.8 (150)
361	**Union Oil California**	17.0	445.2 (6)	29.4 (5)	353.7 (33)
362	**Yellow Freight System**	16.9	51.1 (356)	1.2 (418)	28.9 (380)
363	**Food Fair**	16.9	59.2 (284)	def (485)	39.0 (297)
363	**Macmillan**	16.9	31.3 (469)	def (485)	28.4 (387)
365	**Ex-Cell-O**	16.9	56.9 (301)	3.2 (239)	36.6 (310)
366	**Sherwin-Williams**	16.9	70.8 (210)	1.1 (428)	41.7 (275)
367	**A-T-O**	16.8	41.1 (423)	1.0 (440)	28.5 (385)
368	**Lincoln National**	16.6	147.3 (47)	9.6 (55)	468.1 (19)
369	**Crocker National**	16.6	95.1 (104)	7.0 (92)	972.2 (13)
370	**Amer Natl Resources**	16.5	151.9 (44)	7.2 (85)	238.1 (51)
371	**Union Camp**	16.4	84.7 (146)	9.2 (58)	87.8 (101)
372	**Commonwlth Edison**	16.4	165.9 (34)	18.1 (20)	559.3 (16)
373	**M Lowenstein**	16.4	39.3 (432)	def (485)	21.4 (439)
374	**Foster Wheeler**	16.4	100.9 (94)	2.9 (257)	54.6 (194)
374	**Mohasco**	16.4	45.6 (394)	0.5 (471)	25.8 (408)
376	**Marshall Field**	16.2	55.8 (306)	1.2 (418)	34.9 (327)
377	**Harsco**	16.2	58.4 (291)	3.2 (239)	35.4 (317)
377	**Purolator**	16.2	29.2 (476)	1.1 (428)	13.6 (485)
379	**Akzona**	16.1	62.9 (251)	1.6 (384)	50.8 (219)
380	**Crown Cork & Seal**	16.1	87.1 (136)	4.4 (164)	51.4 (215)
381	**Amer Medical Intl**	16.0	28.1 (480)	1.6 (384)	26.9 (404)
381	**Champion Spark Plug**	16.0	50.4 (361)	3.6 (206)	38.2 (301)
381	**Dan River**	16.0	36.2 (453)	1.4 (404)	21.9 (437)
381	**Ethyl**	16.0	103.6 (90)	6.1 (111)	71.4 (133)
381	**National Kinney**	16.0	17.8 (492)	def (485)	8.4 (498)
381	**Revco D S**	16.0	58.0 (295)	2.1 (326)	19.6 (451)
381	**SCOA Industries**	16.0	55.0 (317)	1.9 (352)	19.0 (458)
381	**Wheelabrator-Frye**	16.0	59.2 (284)	2.7 (272)	40.6 (284)
389	**Mattel**	15.9	50.6 (358)	1.9 (352)	34.4 (332)
390	**Westvaco**	15.9	77.0 (174)	4.9 (142)	65.6 (147)

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The Employee Roster

		Employees	Per Employee ($000)					Employees	Per Employee ($000)		
Rank	Company	(000)	Sales(Rank)	Profits(Rank)	Assets(Rank)	Rank	Company	(000)	Sales(Rank)	Profits(Rank)	Assets(Rank)
391	**EG&G**	15.8	33.1 (465)	1.3 (414)	10.2 (495)	445	**Fred Meyer**	13.0	81.6 (157)	1.7 (372)	31.3 (363)
392	**Braniff Intl**	15.7	85.8 (143)	def (485)	72.3 (128)	445	**Thrifty Corp**	13.0	66.0 (239)	1.1 (428)	23.2 (428)
392	**National Distillers**	15.7	112.9 (73)	8.6 (63)	106.0 (84)	445	**Universal Leaf**	13.0	75.2 (184)	2.0 (342)	16.6 (473)
394	**Wendy's International**	15.6	17.4 (494)	1.5 (394)	11.1 (493)	449	**bart**	13.0	48.6 (372)	2.4 (296)	32.7 (346)
395	**Pittston**	15.6	105.6 (87)	3.5 (213)	76.2 (118)	450	**So Calif Edison**	12.9	198.8 (27)	26.8 (9)	540.9 (18)
396	**Arcata**	15.4	37.6 (446)	2.0 (342)	36.8 (307)	451	**Varian Associates**	12.9	38.2 (440)	0.7 (456)	31.6 (359)
397	**Sundstrand**	15.4	54.7 (322)	4.4 (164)	45.9 (245)	452	**Northwest Airlines**	12.8	102.4 (92)	5.7 (120)	119.4 (73)
398	**Sybron**	15.3	47.3 (382)	1.5 (394)	33.5 (340)	453	**Trane**	12.8	51.4 (352)	2.2 (318)	34.9 (327)
399	**GAF**	15.3	79.3 (166)	1.8 (363)	54.6 (194)	454	**Outboard Marine**	12.8	57.9 (296)	1.3 (414)	43.7 (262)
400	**Chic & North Western**	15.2	49.2 (370)	0.1 (482)	46.4 (242)	455	**Joy Manufacturing**	12.7	61.5 (258)	3.9 (190)	53.2 (202)
401	**Kings Dept Stores**	15.0	38.4 (437)	1.0 (440)	14.0 (484)	456	**ASARCO**	12.7	135.8 (54)	20.4 (16)	155.1 (60)
401	**Knight-Ridder News**	15.0	65.3 (243)	5.9 (116)	49.5 (227)	456	**Del E Webb**	12.7	40.4 (429)	0.7 (456)	36.2 (313)
401	**Richardson-Merrell**	15.0	72.7 (201)	4.2 (173)	56.2 (186)	458	**Fieldcrest Mills**	12.7	40.8 (426)	2.0 (342)	23.8 (422)
401	**Sperry & Hutchinson**	15.0	54.6 (325)	1.9 (352)	54.3 (196)	459	**Bankers Trust N Y**	12.7	214.7 (24)	9.0 (59)	2437.2 (2)
405	**Phelps Dodge**	14.9	86.0 (141)	7.4 (79)	134.2 (67)	460	**Kaiser Steel**	12.7	76.8 (176)	3.8 (194)	89.9 (97)
406	**Federal-Mogul**	14.7	45.1 (399)	2.9 (257)	28.2 (389)	461	**A O Smith**	12.7	65.9 (240)	2.3 (309)	32.4 (349)
407	**Getty Oil**	14.6	330.9 (13)	41.4 (3)	413.1 (28)	462	**Texas Utilities**	12.6	139.4 (53)	16.8 (25)	462.1 (22)
408	**Air Prods & Chems**	14.6	84.2 (149)	6.7 (101)	97.2 (92)	463	**Rollins**	12.6	27.5 (481)	2.4 (296)	19.7 (450)
409	**Oscar Mayer**	14.5	96.3 (100)	2.9 (257)	33.4 (342)	464	**Northwest Bancorp**	12.6	90.9 (122)	8.5 (65)	985.4 (12)
410	**Whittaker**	14.5	74.0 (196)	3.2 (239)	44.3 (257)	465	**Continental Airlines**	12.5	74.2 (193)	def (485)	59.1 (172)
411	**So New England Tel**	14.4	51.2 (355)	4.9 (142)	112.3 (77)	465	**Giant Food**	12.5	99.4 (95)	1.4 (404)	24.6 (415)
412	**Dravo**	14.4	68.9 (225)	2.0 (342)	42.8 (266)	465	**Gt Northern Nekoosa**	12.5	92.6 (112)	7.2 (85)	87.7 (102)
413	**R R Donnelley & Sons**	14.4	66.5 (236)	4.4 (164)	46.5 (241)	468	**Diamond Shamrock**	12.4	190.1 (28)	14.4 (31)	195.0 (55)
414	**McGraw-Hill**	14.4	61.1 (262)	5.3 (131)	51.6 (211)	469	**Amer Broadcasting**	12.4	163.7 (38)	12.8 (37)	102.8 (86)
415	**Intel**	14.3	46.4 (390)	5.4 (128)	35.0 (326)	469	**Avnet**	12.4	82.9 (154)	4.4 (164)	43.5 (264)
416	**ACF Industries**	14.2	69.2 (222)	3.4 (222)	71.6 (130)	469	**Beckman Instruments**	12.4	34.4 (461)	2.4 (296)	33.7 (339)
417	**Service Merchandise**	14.2	51.4 (352)	1.4 (404)	23.9 (421)	469	**Cone Mills**	12.4	54.9 (318)	3.5 (213)	29.7 (372)
418	**Marathon Oil**	14.1	473.8 (4)	20.9 (15)	306.5 (40)	469	**Engelhard Minerals**	12.4	1458.0 (1)	28.2 (8)	467.7 (20)
419	**Cincinnati Milacron**	14.1	53.0 (339)	3.9 (190)	40.5 (287)	469	**Vornado**	12.4	59.1 (287)	def (485)	24.5 (419)
420	**Bangor Punta**	14.0	56.1 (305)	2.1 (326)	36.9 (306)	475	**Amsted Industries**	12.3	69.6 (217)	5.2 (134)	34.3 (334)
420	**Fisher Foods**	14.0	95.5 (103)	def (485)	23.8 (422)	476	**Memorex**	12.3	60.0 (273)	2.6 (283)	48.6 (231)
420	**Gino's**	14.0	23.6 (485)	def (485)	11.7 (491)	477	**Hammermill Paper**	12.2	88.2 (131)	2.9 (257)	52.9 (204)
420	**Parsons**	14.0	44.2 (405)	1.7 (372)	18.6 (461)	478	**Central Tel & Utils**	12.2	61.5 (258)	6.8 (98)	136.4 (65)
424	**Wheeling-Pitts Steel**	14.0	88.7 (128)	3.6 (206)	60.5 (166)	479	**Western Union**	12.1	59.4 (280)	0.3 (476)	145.1 (63)
425	**Connecticut General**	13.9	366.2 (9)	19.4 (18)	1075.5 (9)	480	**Genuine Parts**	12.1	110.5 (78)	5.1 (139)	39.3 (295)
426	**Trans Union**	13.9	66.4 (237)	4.2 (173)	128.8 (70)	480	**Stanley Home Prods**	12.1	17.7 (493)	1.2 (418)	12.0 (489)
427	**Stauffer Chemical**	13.8	110.6 (77)	9.9 (52)	136.0 (66)	482	**Consumers Power**	12.1	165.6 (35)	16.8 (25)	461.1 (23)
428	**Perkin-Elmer**	13.7	53.5 (334)	3.7 (200)	40.6 (284)	483	**Dover**	12.1	55.1 (316)	4.7 (153)	34.3 (334)
429	**McLean Trucking**	13.6	41.1 (423)	0.6 (467)	20.8 (445)	484	**Equifax**	12.0	28.3 (478)	0.9 (446)	9.5 (497)
430	**National Gypsum**	13.5	63.2 (250)	5.9 (116)	56.9 (181)	485	**Ampex**	12.0	31.0 (471)	1.5 (394)	25.3 (411)
431	**Host International**	13.5	24.1 (484)	1.2 (418)	13.1 (487)	485	**CBI Industries**	12.0	53.4 (336)	4.9 (142)	57.6 (177)
431	**Midland-Ross**	13.5	59.3 (283)	3.0 (252)	44.4 (256)	485	**Dayco**	12.0	61.7 (257)	1.8 (363)	35.1 (322)
431	**NLT**	13.5	58.6 (289)	9.9 (52)	315.1 (37)	485	**Federal Co**	12.0	71.2 (209)	2.7 (272)	21.9 (437)
431	**Super Valu Stores**	13.5	257.4 (22)	3.4 (222)	32.2 (353)	485	**Fischbach & Moore**	12.0	65.9 (240)	1.1 (428)	27.9 (391)
435	**Sheller-Globe**	13.5	48.6 (372)	1.0 (440)	23.4 (426)	485	**National Tea**	12.0	87.1 (136)	0.7 (456)	20.9 (444)
436	**PACCAR**	13.4	140.5 (50)	9.0 (59)	55.4 (192)	485	**Rose's Stores**	12.0	41.5 (421)	0.7 (456)	10.2 (495)
437	**Data General**	13.4	37.9 (442)	3.7 (200)	35.0 (324)	485	**Strawbridge & Clothier**	12.0	30.6 (473)	0.9 (446)	21.3 (442)
438	**Pennwalt**	13.3	81.2 (159)	3.8 (194)	59.7 (170)	493	**General Cinema**	12.0	54.7 (322)	2.1 (326)	32.1 (354)
439	**Rohm & Haas**	13.3	119.6 (64)	7.2 (85)	89.6 (98)	494	**Middle South Utils**	12.0	151.9 (44)	15.2 (29)	541.9 (17)
440	**Hughes Tool**	13.2	61.0 (263)	6.4 (104)	74.4 (123)	495	**Computer Sciences**	11.8	29.1 (477)	1.2 (418)	17.2 (472)
441	**Interlake**	13.2	83.7 (151)	3.0 (252)	55.6 (190)	496	**Continental Illinois**	11.8	286.1 (18)	16.6 (27)	3033.1 (1)
442	**Pub Svc Elec & Gas**	13.2	183.1 (32)	17.7 (22)	462.4 (21)	497	**Texas Gas Transmn**	11.7	144.2 (49)	6.8 (98)	114.6 (76)
443	**Fairchild Industries**	13.1	54.8 (320)	3.1 (247)	27.2 (399)	498	**Hershey Foods**	11.7	99.3 (96)	4.6 (157)	51.9 (209)
444	**American Greetings**	13.1	32.6 (467)	2.0 (342)	26.2 (407)	499	**Houston Natural Gas**	11.6	155.0 (42)	11.9 (41)	143.4 (64)
445	**Alexander's**	13.0	34.9 (460)	0.3 (476)	15.2 (479)	500	**Petrolane**	11.6	98.6 (97)	5.2 (134)	51.3 (216)

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JUNE 9, 1980

TWO DOLLARS

Forbes

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June 9, 1980
Volume 125, Number 12

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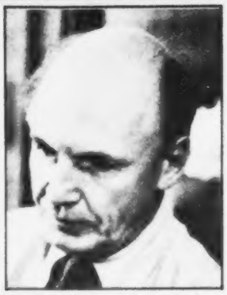

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It takes a sensational bull market to make most warrants worth much. But hope springs eternal and many warrants trade heavily.

Stock warrants— a way to get leverage

Statistical Spotlight

NO ONE WOULD WANT to exercise an American Airlines warrant, unless the company's stock were to double from its recent price of around 8. So why bother with the warrant: If you think AA is cheap why not just buy the stock? The warrant is attractive chiefly to those who think AA is so cheap that the stock could not only double but treble or quadruple between now and when the warrant expires on Apr. 1, 1984.

A warrant is a certificate giving the holder the right to buy from the company a share of the company's stock at a fixed price. There's lots of leverage in warrants. An American Airlines warrant currently fetches around $3. It gives the holder the right to buy the stock at $14 a share. Nobody would want to exercise the warrant with the stock selling at the current price. But suppose AA rose to $26 a share—which is, after all, its approximate book value. At that price you could sell the warrant, exercisable at $14, for at least $12. Your investment of $3 is now worth $12. You would have quadrupled your money. So that's the appeal. It's like betting on a long shot at the races: A small commitment gets you a chance at big winnings.

Hard times often bring warrants to the fore. A company having trouble selling debt may attach warrants to the bonds as a sweetener. Chrysler and First Pennsylvania, both of which already have warrants outstanding, may soon have other huge issues as a consequence of their massive refinancing.

The advantage of warrants over, say, call options is that warrants usually have a much longer life than call options. Some warrants are perpetual.

If you play the warrant game, be prepared for volatility. Greyhound stock has gained 12% this year, but its warrants came close to doubling. It can work the other way, too. Emhart stock is down 15%, but its warrants are down close to 40%. The point is: Whichever way the stock moves, the warrant is likely to move in the same direction, but much faster. Thanks to the bear market, many warrants now sell for $10 and under. Hope—or despair—is the name of this particular game. The goal is to buy warrants when most of the hope has been squeezed out of their price.

Warrants nearly always sell at a premium over their exercise value. People pay the premium to get the leverage, but as the expiration date nears, the premium shrinks; time is running out on it. Nobody ever said warrants were riskless.

Many warrants now outstanding aren't good for much but wallpaper. Walter Kidde is a good company but the chances are very slight that its stock will hit the exercise price of 90—it is currently 44—before the warrant expires less than a year from now. So the warrants sell for just 75 cents apiece. Fuqua Industries' 1980 warrants are even cheaper: 12½ cents each. Not many people think that this $14 stock will go past 55 before the warrants expire at the end of this year. Bangor Punta's look helpless, too.

Warrants with distant expiration dates should not be used for interior decorating because they do retain value. For example, TWA 1986 warrants are exercisable at a price of 31 and the stock sells at about 13. Braniff International is exercisable at $22.96 per share; the stock is $7. Since the expiration date on both issues is still well into the future, the warrants retain considerable value *(see table)*. Who's to say that TWA won't sell at over 30 sometime between now and the fall of 1986? A long shot is, after all, a long shot.—*Robert J. Flaherty and Steve Kichen*

The stuff of dreams . . . and nightmares

Below, a list of 50 warrants varying widely in their quality and prospects.

Company	Expiration date	Common shares per warrant	Exercise price of warrant	Recent price of warrant	Recent price of common	Required stock appreciation[2]	Change since year-end		Warrants outstanding (000)	Warrants as % of common outstanding
							stock	warrant		
Alleghany Corp	perpetual	1.00	$ 3.75	16	19⅜	2%	–27%	–32%	100	1%
American Airlines	4/1/84	1.00	14.00	3	8⅜	103	–15	–20	5,000	17
American Broadcasting	1/2/82	1.50	24.00	16½	26¾	1	–31	–52	908	3
American Financial	12/2/80	0.50	11.25[1]	5½	28	20	18	26	488	8
Applied Solar Energy	8/6/85	1.00	10.00	2⅜	7⅛	74	43	90	770	32
Atlas Corp	perpetual	1.00	31.25[1]	4⅞	12¾	183	–14	8	1,005	34
Bangor Punta	3/31/81	1.06	55.00	11/16	19¼	173	–24	–45	1,943	41
Bio-Response	10/16/84	1.00	4.00	1 5/16	2⅝	102	0	–5	1,200	22
Braniff International	2/1/86	3.18	73.00[1]	5⅞	7	254	–16	–10	480	2
Caesars NJ	10/31/81	1.00	5.00	8	12¼	6	–11	–11	1,100	7
Capital Energy	12/24/84	1.00	1.50	2⅛	3¼	12	4	6	1,120	19
Charter Co	9/1/88	1.00	10.00[1]	15⅝	22⅝	13	–36	–46	3,750	19
Chrysler	6/15/85	1.00	13.00	3½	6¾	144	0	27	5,000	7
Commonwealth Ed A	perpetual	1.00	30.00	6⅞	21⅜	73	7	6	315	NS
Commonwealth Ed B	perpetual	1.00	30.00	6⅞	21⅜	73	7	4	234	NS
Compact Video Systems	12/4/81	1.00	8.25	6¾	13¾	9	41	54	650	33
Compucorp	9/30/83	1.00	2.00[1]	1	2⅛	41	–35	–27	500	32
Dialysis Corp of America	6/29/80	1.00	3.00	1½	4	13	–6	20	230	13
Eastern Air Lines	6/1/87	1.00	10.00	4	8¼	70	3	0	2,219	9
Emhart	7/24/82	1.51	39.00[1]	9	26⅞	18	–15	–38	275	2
Fed-Mart	8/28/81	1.00	14.00	13/16	9	65	–33	NA	1,638	28
Financial Corp of America	11/1/83	1.74	17.00	8⅞	11⅜	31	–23	–41	38	1
First Pennsylvania	5/8/83	1.00	20.00	13/16	5	316	–44	–46	2,200	14
Frontier Airlines	3/1/87	1.06	10.29[1]	4½	10½	6	–10	–14	677	9
Fuqua	12/31/83	1.14	43.50	4½	14¼	196	–23	–14	672	5
Fuqua	12/31/80	1.00	55.00	⅛	14¼	287	–23	–80	281	2
GDV (City Investing)	7/15/83	1.02	27.70	1½	9¼	210	–21	–25	2,040	13
GEICO (Govt Employees)	8/1/83	2.08	24.00	3¾	10¾	24	–11	–19	649	3
Goldfield Corp	12/31/84	1.00	1.12	1¼	2⅛	12	89	NA	4,825	28
BF Goodrich	8/15/81	1.00	30.00	1⅛	18⅛	72	–4	29	1,500	9
Greyhound	5/15/84	1.00	30.00	1⅞	16¼	96	12	15	1,167	3
Greyhound	5/14/83	1.00	23.50	3⅛	16¼	64	12	92	6,141	14
Horn & Hardart	11/23/81	1.00	6.00	15¼	20¼	5	–24	–15	404	13
Instrument Systems	5/28/81	1.02	40.00	1/16	⅞	NM	–7	0	833	3
Walter Kidde	4/29/81	1.00	90.00	¾	44	106	–2	–45	200	2
Loews	12/29/80	1.00	40.00[1]	37¼	65⅜	18	11	22	6,277	53
Mattel	4/5/86	1.00	4.00	4½	7⅛	19	–7	–5	4,939	31
MCI Communications	11/17/80	1.00	2.50	3 13/16	6	5	–4	–2	2,945	9
Modern Merchandising	6/1/82	1.00	4.20	5	8⅝	7	–37	–50	417	5
Patrick Petroleum	4/9/81	1.00	20.00	4½	16	53	NA	NA	1,500	19
Rapid-American	5/15/94	1.00	35.00[1]	4¼	18⅝	111	–14	0	5,431	107
Rapid-American (McCrory)	3/15/81	0.50	22.50	5/16	18⅝	145	–14	–38	472	9
Reliance Group	7/1/87	1.00	15.86[1]	50½	64⅛	2	9	11	599	9
Resorts International	8/1/84	1.00	53.00	9⅝	32½	93	4	–35	759	6
Textron	5/1/84	1.00	11.25	11½	22½	1	–14	–22	75	NS
Tomlinson Oil	3/6/82	1.10	7.25	10⅛	15¼	4	–8	–10	750	32
Total Petroleum	12/31/80	1.00	10.00[1]	13½	21¾	8	–12	–18	1,631	11
Trans World Corp	5/3/82	1.00	10.00	6	12⅞	24	–22	–25	742	5
Trans World Corp	10/1/86	1.00	31.00[1]	4⅜	12⅞	174	–22	–31	2,790	17
US Air	4/1/87	1.04	18.00[1]	3¾	7⅞	166	13	20	477	4

[1] Company allows the exchange of certain corporate bonds usually at face amount when exercising warrants. [2] Required stock appreciation: The percentage gain necessary for the common stock price to equal the sum of the exercise price and the present market price of the warrant. NS: Not significant (less than 1%). NA: Not available. NM: Not meaningful.

Sources: KV Convertible Fact Finder; Value Line Options and Convertibles; FORBES

The traditional tools that analysts use to forecast bank earnings have been overwhelmed by the precipitous moves in interest rates. At present, the important question is: Which bank has the most room to maneuver, thanks to floating interest rates?

Casing the banks

Statistical Spotlight

TYPICALLY, TO FIND OUT how bank earnings are likely to fare in the near term, you look at asset growth (mostly loans) and loan losses first. But in the context of upheavals in short-term interest rates, that seems not the way to do it. The prime rate rose by an unprecedented 5% within two months earlier this year. It is about 4% below that peak now. What matters most, at the moment, is how quickly the banks can respond to these rate changes. And that is largely a function of how big a share of their assets is tied up in floating-rate loans and investments compared with floating-rate liabilities.

With short rates falling sharply, those banks with a relatively lower percentage of assets compared with liabilities at floating rates *(see table)* presumably will earn more. That's because the interest-rate costs on their floating-rate liabilities—mainly purchased money—will fall with the drop in interest rates. And if they have relatively fewer assets earnings at floating rates, the spread will move in their favor. Needless to say, the second group of banks, with relatively larger holdings of floating-rate assets than liabilities, probably will do worse on balance.

Consider the case, albeit a special one, of Citibank. With its heavy emphasis on consumer credit—meaning a lot of consumer loans earning the 12% maximum under New York State usury laws—the bank's parent company, Citicorp, looked to have a disastrous second quarter after first-quarter earnings plunged to 67 cents from $1.01 the year before. But with the sudden and unexpected cuts in short-term rates, the outlook improves markedly to perhaps 80 cents this quarter. The differences in the proportions of floating-rate assets to liabilities, therefore, can produce significant effects on short-term earnings, always allowing that there are other factors affecting bank profits. Below, a group of possible gainers and losers as the cost of money falls.—*Ben Weberman*

Bankers' handicap

Beneficiaries of the interest rate decline

Bank	Floating-rate assets as percent of floating-rate liabilities (the lower the ratio, the more earnings will gain)* 12/31/79	12/31/78	Interest spreads (difference between the bank's loan earnings and its cost of money) first quarter 1980	first quarter 1979	Total assets 12/31/79 (millions)	Earnings per share (latest four quarters)	Recent price	Indicated dividend	Yield
AmeriTrust	97.6%	118.1%	3.63%	3.78%	$ 5,402	$6.31	30	$2.40	8.0%
Chemical Bank	97.8	97.1	2.27	2.39	39,375	9.16	38¾	3.48	9.0
Citibank	100.5	101.4	2.05	2.71	106,371	4.02	21	1.42	6.8
Continental Illinois	94.4	97.0	1.81	2.00	35,790	4.96	27½	1.60	5.8
FNB of Chicago	95.8	98.3	1.17	1.67	30,182	2.53	14⅛	1.20	8.5

Victims of the interest rate decline

Bank	Floating-rate assets as percent of floating-rate liabilities (the higher the ratio, the more earnings will suffer)* 12/31/79	12/31/78	Interest spreads (difference between the bank's loan earnings and its cost of money) first quarter 1980	first quarter 1979	Total assets 12/31/79 (millions)	Earnings per share (latest four quarters)	Recent price	Indicated dividend	Yield
Chase Manhattan	106.1%	112.3%	2.27%	2.44%	$64,708	$9.54	42⅜	$2.80	6.6%
Irving Trust	122.7	120.2	2.60	2.43	16,702	8.43	37⅜	2.72	7.3
Manufacturers Hanover	112.7	114.1	2.32	2.42	47,675	6.55	30⅛	2.52	8.4
Mellon Bank	105.1	109.3	2.61	2.81	13,508	5.25	29	1.84	6.3
Texas Commerce Bank	119.0	109.7	3.52	3.33	9,260	6.01	49¾	1.60	3.2

*Bank figures, all other numbers from parent holding company.
Source: Salomon Brothers

If you confiscated the salaries and bonuses of these 801 CEOs, you could keep the federal bureaucracy going for about two hours.

It ain't hay, but is it clover?

MAYBE IT'S A SIGN OF THE TIMES. Maybe it has always been this way. If you were to judge U.S. industry by the salaries paid to chief executives, you could only come to the conclusion that entertainment was the nation's chief occupation. Warner Communications boss Steven J. Ross picked up a package that was worth $5,105,000 last year, but he was shaded by Metro-Goldwyn-Mayer's Frank E. Rosenfelt, who staggered off to the bank under the burden of $5,214,000. Even Jane Fonda, Robert Redford or Barry Manilow would have had a hard time beating that.

After these entertainment moguls, however, it was all downhill—relatively speaking—for America's corporate brass. Not that any one of them was down to his last tax shelter. Five of the top people took home the equivalent of over $3 million. Another 60—count them, 60—did $1 million or better.

But before you start wondering what they do with all that money, keep this in mind: If you look at the definitions of the various categories of compensation that FORBES statisticians used for the first time this year *(see below)*, you will see that a good bit of this is not exactly cash you can put a rubber band around and put in your pocket. Profits from exercised options and increases in the value of stock appreciation rights, for instance, depend on the market price of the company's stock. And exercised options create tax liabilities without producing the cash to pay them, although some companies lend their brass money to exercise them and to pay their taxes.

If you disregard the options and stock appreciation rights and focus only on salary and bonus, you'll find that only seven CEOs got more than $1 million last year. Any top popular entertainer would fire his or her agent if they did no better than the average top executive. Nor are top executive salaries even close to the levels of top people back in the 1920s, when income taxes were negligible and dollars were worth much more. Still, it's not hay.

Among those seven who came away with more than $1 million, you'll find the name of Chrysler's Lee Iacocca, who now gets $1 in salary for his services to the embattled automaker. But that cut only took effect last September—before then Chrysler paid him at a rate of $360,000 a year and kicked in $1 million for benefits he lost by leaving Ford Motor Co., his previous employer.

It probably won't come as a surprise that the higher a company's revenues, the more it tends to pay its chief. The median salary and bonus for the 189 corporations that grossed $500 million or less was $186,000. Move up a step to the 154 companies in the $500 million-to-$1 billion category and the median is $273,000. The 380 companies with revenues of $1 billion to $5 billion pay a median salary and bonus of $379,000. And the 78 grossing $5 billion or more had a median of $542,000. The average salary and bonus paid to the CEOs of all 801 companies was $351,900.

Before you start muttering about who needs that kind of money, keep something else in mind. These sums are *before* taxes. Federal, state and local taxes probably cut most of the salaries in half. Executives can, of course, reduce their tax burdens by using various tax shelter and deferral plans, but then they don't get to *spend* the money. So while most top corporate brass aren't in want, they can't be said to be swimming in the stuff.

Let's put these salaries further into perspective: Add total salaries and bonuses paid to the chief executive officers of the 801 companies covered in this survey. You come up with a grand total of $281,883,000—about $141 million after taxes. Is that a lot of money? Well, it would keep the federal government going for about two hours. These combined salaries amount to a good deal less than the nation spends on chewing gum or jogging shoes and seem a relatively small price to pay for the quality of leadership that, on the whole, keeps the U.S. standard of living as high as it is in the face of everything the government and OPEC do to bring it down.

Definitions

Using the Securities & Exchange Commission's reporting format, compensation for the year 1979 has two main components: Cash and cash-equivalent forms of remuneration (salary and bonuses plus options, rights and benefits) and contingent remuneration.

Salary and bonus

includes—in addition to salary and bonuses—directors' fees, commissions as well as payments made on long-term incentive plans.

Options, rights and benefits

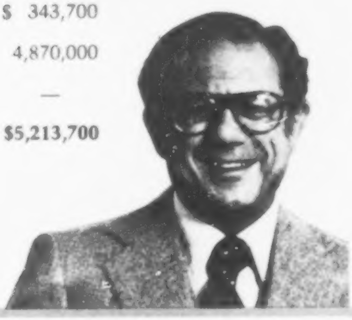
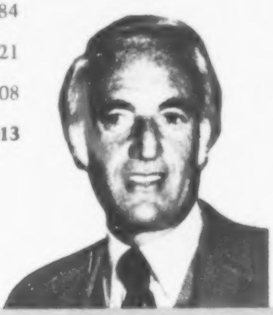
includes cash-equivalent forms of compensation such as company-paid life insurance premiums, physical examinations or club dues, use of company car or plane and other fringe benefits; also cash or shares paid in settlement of stock appreciation rights (SARs) exercised (less amounts expensed and reported in previous years as "Contingent Remuneration"), "paper profits" created by the exercise of stock options and the value of restricted stock awards vested or released from restrictions in 1979.

Contingent remuneration

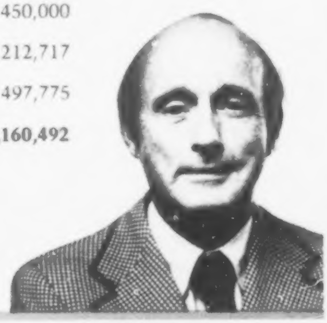
includes the increase (or decrease) in the value of stock appreciation rights remaining unexercised at the end of the year as well as accruals made in 1979 under pension plans, deferred compensation agreements or performance-related long-term incentive plans.

Who Gets The Most Pay

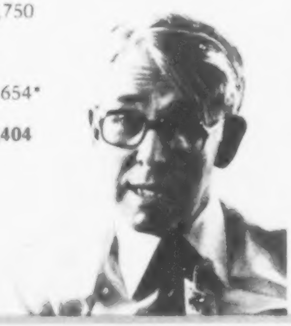
	Frank E. Rosenfelt Metro-Goldwyn-Mayer	Steven J. Ross Warner Communications	William A. Marquard American Standard
Salary & bonus†	$ 343,700	$1,210,184	$ 629,583
Options, rights & benefits†	4,870,000	2,695,521	18,382
Contingent†	—	1,199,308	3,183,488
Total	**$5,213,700**	**$5,105,013**	**$3,831,453**

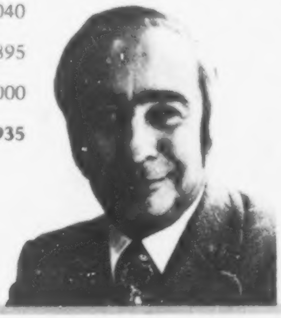
	John E. Swearingen Standard Oil (Indiana)	Rawleigh Warner Jr. Mobil	E. Grant Fitts Gulf United
Salary & bonus†	$ 613,862	$1,187,055	$ 450,000
Options, rights & benefits†	25,054	2,406,385	2,212,717
Contingent†	3,011,059	46,750	497,775
Total	**$3,649,975**	**$3,640,190**	**$3,160,492**



	Robert A. Charpie Cabot	Howard B. Keck Superior Oil	George T. Scharffenberger City Investing
Salary & bonus†	$ 597,750	$ 648,021	$ 729,100
Options, rights & benefits†	—	18,911	5,894
Contingent†	2,529,654*	2,218,895	1,850,095
Total	**$3,127,404**	**$2,885,827**	**$2,585,089**



	George A. Strichman Colt Industries	J. Hugh Liedtke Pennzoil	Michel C. Bergerac Revlon
Salary & bonus†	$ 631,040	$ 440,525	$ 899,900
Options, rights & benefits†	1,432,895	72,502	1,442,520
Contingent†	375,000	1,865,490	3,750
Total	**$2,438,935**	**$2,378,517**	**$2,346,170**



*Includes cumulative increase in market value of SARs. †See definitions on facing page.

Who Gets The Most Pay

Rank	Company	Chief executive (Age)	Compensation ($000)				Years served		Place of birth	Business background
			Salary & bonus†	Options, rights & benefits†	Contingent†	Total	with company	as chief		
401	Abbott Laboratories	Robert A Schoellhorn (51)	277	26	103	406	7	1	Philadelphia, Pa	Technical
373	ACF Industries	John F Burditt (62)	383	4	44	432	31	13	Newton Center, Mass	Finance
80	Aetna Life & Cas	John H Filer (55)	541	29	371	940	21	7	New Haven, Conn	Insurance
422	H F Ahmanson	William H Ahmanson (54)	317	16	52	384	30	11	Omaha, Neb	Administration
130	Air Prods & Chems	Edward Donley (58)	417	1	340	758	37	6	Highland Park, Mich	Technical
466	Akzona	Claude S Ramsey (55)	333	2	20	355	30	13	Asheville, NC	Administration
740	Alabama Bancorp	John W Woods (48)	145	15	—	159	10	8	Evanston, Ill	Banking
322	Albertson's	Warren E McCain (54)	456	7	9	472	28	3	Logan, Kan	Operation
261	Alco Standard	[1]Tinkham Veale II (65)	404	103	26	533	14	14	Topeka, Kan	Founder
359	Alexander & Alexander	John A Bogardus Jr (52)	324	25	92	441	29	1	New York, NY	Insurance
304	Alleghany	Fred M Kirby (60)	243	63	187	494	22	13	Wilkes Barre, Pa	Investment
106	Allegheny Ludlum Inds	Robert J Buckley (56)	593	92	155	841	8	5	New York, NY	Operations
649	Allegheny Power	Charles B Finch (60)	184	8	21	212	26	8	New York, NY	Legal
770	Allied Bancshares	Gerald H Smith (49)	121	19	—	140	21	8	Groveton, Tex	Banking
68	Allied Chemical	Edward L Hennessey Jr (52)	450*	442	104	996	1	1	Boston, Mass	Finance
103	Allied Stores	Thomas M Macioce (61)	500	200	150	850	20	8	New York, NY	Legal
170	Allis-Chalmers	David C Scott (64)	563	40	81	684	11	11	Akron, Ohio	Technical
54	Alcoa	W H Krome George (62)	618	14	497	1,130	38	5	St Louis, Mo	Technical
110	AMAX	Pierre Gousseland (58)	445	383	—	828	31	3	France	Technical
669	Amerada Hess	Leon Hess (66)	200	—	—	200	47	7	Asbury Park, NJ	Founder
447	American Airlines	Albert V Casey (60)	318	50	—	368	6	6	Boston, Mass	Finance
731	American B & T Pa	Samuel A McCullough (41)	148	—	16	164	4	2	Pittsburgh, Pa	Banking
94	American Brands	Robert K Heimann (61)	521	22	321	864	26	7	New York, NY	Marketing
37	Amer Broadcasting	Leonard H Goldenson (74)	750	282	331	1,363	46	30	Scottdale, Pa	Legal
162	American Can	[2]William F May (64)	674	23	—	697	41	14	Chicago, Ill	Operations
228	American Cyanamid	Dr James G Affleck (57)	275	4	307	586	33	4	Yonkers, NY	Administration
578	American Elec Power	Willis S White Jr (53)	247	15	7	270	31	4	Portsmouth, Va	Technical
212	American Express	James D Robinson III (44)	479	6	131	616	9	3	Atlanta, Ga	Finance
55	American Financial	Carl H Lindner (61)	1,010	118	—	1,128	26	26	Dayton, Ohio	Founder
590	American Fletcher	Frank E McKinney Jr (41)	257	1	—	258	12	7	Indianapolis, Ind	Banking
449	Amer Genl Insurance	Harold S Hook (48)	293	36	37	367	9	1	Kansas City, Mo	Insurance
71	American Home Prod	William F Laporte (66)	440	—	547	987	42	15	New York, NY	Administration
265	Amer Hospital Supply	Karl D Bays (46)	440	22	69	531	21	9	Lovall, Ky	Sales
15	American Intl Group	Maurice R Greenberg (55)	279	1,618	24	2,139	19	13	New York, NY	Insurance
90	American Motors	Gerald C Meyers (51)	509	52	313	873	18	2	Buffalo, NY	Technical
672	American Natl Ins	Orson C Clay (49)	193	6	—	199	9	2	Bountiful, Utah	Administration
580	Amer Natl Resources	Arthur R Seder Jr (60)	256	13	—	268	20	3	Oak Park, Ill	Legal
445	American Petrofina	Richard I Galland (63)	230	141	—	371	22	11	Denver, Colo	Legal
690	American Savings & Loan	Morris N Broad (45)	130	2	57	189	23	15	Burlington, Vt	Finance
645	American Security	[3]Carleton M Stewart (59)	195	1	21	218	4	4	Chicago, Ill	Banking
3	American Standard	William A Marquard (60)	630	18	3,183	3,831	27	8	Pittsburgh, Pa	Operations
360	American Stores	[4]William R Deeley (57)	332	2	106	440	23	2	Mt Vernon, Ohio	Administration
217	American Tel & Tel	Charles L Brown (58)	573	5	31	609	34	1	Richmond, Va	Operations
523	AmeriTrust	M Brock Weir (58)	285	11	13	309	7	7	Wenatchee, Wash	Banking
357	AMF	W Thomas York (46)	426	8	7	442	11	2	Archdale, NC	Finance
291	Amfac	Henry A Walker Jr (58)	476	7	28	511	32	12	Honolulu, Haw	Operations
364	AMP	Joseph D Brenner (63)	302	43	92	438	33	8	Carlisle, Pa	Production
556	Amstar	Robert T Quittmeyer (59)	273	3	7	284	24	8	Peekskill, NY	Legal
485	Amsted Industries	Goff Smith (63)	293	—	42	335	33	6	Jackson, Tenn	Sales
429	Anderson, Clayton	Thomas J Barlow (58)	317	32	31	380	34	13	Houston, Tex	Operations

†For FORBES definitions and methodology see page 116.

*Salary annualized.

[1] Succeeded by Ray B. Mundt, 2/12/80.

[2] Succeeded by William S. Woodside, 4/29/80.

[3] Succeeded by W. Jarvis Moody, 3/21/80.

[4] Succeeded by Lennie S. Skaggs, 2/6/80.

Who Gets The Most Pay

			Compensation ($000)				Years served			
Rank	Company	Chief executive (Age)	Salary & bonus†	Options, rights & benefits†	Contingent†	Total	with company	as chief	Place of birth	Business background
287	Anheuser-Busch Cos	August A Busch III (43)	511	3	—	513	23	5	St Louis, Mo	Marketing
409	ARA Services	William S Fishman (64)	376	11	14	401	40	5	Clinton, Ind	Founder
382	Archer Danls Midland	Dwayne O Andreas (62)	417	9	—	426	9	9	Worthington, Minn	Finance
684	Arizona Bank	Donald B Tostenrud (55)	186	3	4	193	21	2	Estherville, Iowa	Banking
733	Arizona Public Serv	Keith L Turley (57)	156	4	3	163	28	6	Mesa, Ariz	Administration
77	Ark Louisiana Gas	Edward Sheffield Nelson (39)	250	9	695	954	16	7	Keevil, Ark	Legal
263	Armco	Harry Holiday Jr (56)	459	1	71	532	31	1	Pittsburgh, Pa	Technical
549	Armstrong Cork	Harry A Jensen (61)	286	—	—	286	39	2	Council Bluffs, Iowa	Marketing
143	ASARCO	Charles F Barber (63)	540	31	162	733	24	9	Chicago, Ill	Legal
249	Ashland Oil	Orin E Atkins (56)	537	20	—	556	30	15	Pittsburgh, Pa	Legal
385	Associated Dry Goods	William P Arnold (55)	170	50	201	421	12	1	Omaha, Neb	Marketing
784	Atlantic Bancorp	Billy J Walker (49)	126	—	—	126	31	4	Baker County, Fla	Banking
46	Atlantic Richfield	Robert O Anderson (63)	777	20	450	1,247	38	15	Chicago, Ill	Production
567	Auto Data Processing	Frank R Lautenberg (56)	275	—	—	275	27	4	Paterson, NJ	Marketing
195	Avco	James R Kerr (62)	493	134	17	644	25	10	Las Vegas, NM	Administration
121	Avnet	Simon Sheib (64)	755	6	30	791	20	10	New York, NY	Legal
326	Avon Products	David W Mitchell (52)	498	13	−43	469	32	4	Pasadena, Cal	Sales
539	Bache Group	Harry A Jacobs Jr (59)	293	—	—	293	34	3	New York, NY	Investment
317	Baker International	Earnest H Clark Jr (53)	433	46	—	479	33	15	Birmingham, Ala	Technical
465	Baldwin-United	Lucien Wulsin (63)	329	27	—	356	41	18	Cincinnati, Ohio	Legal
62	Bally Manufacturing	Robert Mullane (48)	350	698	7	1,055	9	1	Cincinnati, Ohio	Administration
710	Baltimore Gas & Elec	[5]C Edward Utermohle Jr (65)	169	1	4	173	46	10	Baltimore, Md	Technical
494	Banc One	John G McCoy (67)	330	—	—	330	43	20	Marietta, Ohio	Finance
379	BanCal Tri-State	Chauncey E Schmidt (49)	412	14	—	427	4	4	Oxford, Iowa	Banking
767	Banco Popular PR	Rafael Carrion Jr (65)	110	—	30	140	47	23	San Juan, PR	Finance
619	BancOhio	Robert G Stevens (50)	213	—	26	239	4	4	Marion, Ill	Banking
412	Bancorp Hawaii	Wilson P Cannon (60)	160	30	206	396	38	3	Berkeley, Cal	Banking
335	Bank of New York	Elliott Averett (62)	250	88	120	458	40	5	Chatham, NJ	Banking
646	Bank of Virginia	Frederick Deane Jr (53)	203	1	13	217	26	6	Boston, Mass	Finance
160	BankAmerica	Alden W Clausen (57)	600	69	30	700	30	10	Hamilton, Ill	Finance
426	Bankers Trust N Y	Alfred Brittain III (57)	345	—	36	381	33	5	Evanston, Ill	Banking
764	Barnett Banks Fla	Charles E Rice (44)	142	—	—	142	15	1	Chattanooga, Tenn	Banking
425	Bausch & Lomb	Daniel G Schuman (63)	340	43	—	383	20	9	New York, NY	Finance
307	Baxter Travenol Labs	[6]William B Graham (68)	450	41	—	491	35	27	Chicago, Ill	Legal
650	BayBanks	William M Crozier Jr (47)	159	—	53	212	16	5	New York, NY	Banking
234	Beatrice Foods	James L Dutt (55)	485	2	88	575	33	1	Topeka, Kan	Administration
348	Beckman Instruments	Arnold O Beckman (80)	428	2	20	451	45	40	Cullom, Ill	Founder
280	Becton, Dickinson	Wesley J Howe (59)	360	47	110	516	31	5	Jersey City, NJ	Administration
709	Belco Petroleum	Arthur B Belfer (73)	168	5	—	174	27	27	Poland	Founder
92	Bendix	William M Agee (42)	654	12	202	867	8	3	Boise, Ida	Finance
484	Beneficial Corp	Finn M W Caspersen (38)	328	2	6	336	8	3	New York, NY	Legal
83	Bethlehem Steel	[7]Lewis W Foy (65)	460	1	457	918	43	5	Somerset County, Pa	Administration
502	Big Three Industries	Harry K Smith (68)	315	—	7	322	54	24	Pittsburgh, Pa	Administration
568	Black & Decker	Francis P Lucier (52)	263	7	4	274	17	5	Boston, Mass	Marketing
575	Blue Bell	L Kimsey Mann (63)	248	2	21	271	34	6	La Grange, Ga	Production
691	Boatmen's Bancshares	Donald N Brandin (58)	186	1	—	188	24	7	New York, NY	Banking
19	Boeing	Thornton A Wilson (59)	552	108	1,343	2,002	37	11	Sikeston, Mo	Technical
116	Boise Cascade	John B Fery (50)	379	—	416	795	23	7	Bellingham, Wash	Production
237	Borden	Eugene J Sullivan (59)	396	27	147	571	34	1	New York, NY	Sales
56	Borg-Warner	James F Bere (57)	399	68	660	1,126	19	8	Chicago, Ill	Production

†For FORBES definitions and methodology see page 116.

[5] Succeeded by Bernard C. Trueschler, 1/1/80.

[6] Succeeded by Vernon R. Loucks, Jr., 5/8/80.

[7] Succeeded by Donald H. Trautlein, 6/1/80.

Who Gets The Most Pay

Rank	Company	Chief executive (Age)	Compensation ($000)				Years served		Place of birth	Business background
			Salary & bonus†	Options, rights & benefits†	Contingent†	Total	with company	as chief		
782	Borman's	Paul Borman (47)	120	—	8	**127**	26	15	Detroit, Mich	Sales
704	Boston Edison	Thomas J Galligan Jr (60)	175	1	—	**176**	26	9	Watertown, Mass	Finance
91	Braniff Intl	Harding L Lawrence (59)	465	22	382	**869**	15	15	Perkins, Okla	Administration
111	Bristol-Myers	Richard L Gelb (56)	676	5	141	**822**	30	8	New York, NY	Administration
726	Broadview Financial	John E Rupert (52)	166	—	—	**166**	26	6	Cleveland, Ohio	Administration
529	Brown-Forman Dist	W L Lyons Brown Jr (43)	270	32	—	**302**	24	4	Louisville, Ky	Marketing
393	Brown Group	W L Hadley Griffin (62)	264	24	123	**411**	33	11	Edwardsville, Ill	Legal
164	Brunswick	K Brooks Abernathy (61)	363	27	303	**693**	18	4	Missoula, Mont	Finance
541	Bucyrus-Erie	Norris K Ekstrom (52)	285	—	6	**291**	18	2	Kiron, Iowa	Finance
223	Burlington Inds	William A Klopman (58)	489	3	106	**597**	34	3	New York, NY	Marketing
148	Burlington Northern	Norman M Lorentzsen (63)	425	87	216	**727**	45	2	Horace, ND	Operations
166	Burroughs	Paul S Mirabito (65)	575	5	112	**691**	37	2	New York, NY	Finance
7	Cabot	Robert A Charpie (54)	598	—	2,530	**3,127**	11	11	Cleveland, Ohio	Technical
531	Caesars World	William McElnea Jr (58)	292	8	—	**301**	7	7	Orange, NJ	Investment
681	California First Bank	Toshio Nagamura (54)	154	36	4	**194**	32	2	Japan	Banking
386	Cameron Iron Works	Myron A Wright (69)	275	54	91	**420**	3	3	Blair, Okla	Administration
273	Campbell Soup	Harold A Shaub (64)	412	79	31	**523**	37	7	Lancaster County, Pa	Production
448	Campbell Taggart	[8]Bili O Mead (60)	289	2	76	**367**	20	10	Abilene, Tex	Sales
206	Capital Cities Comm	Thomas S Murphy (55)	345	29	252	**626**	25	13	Brooklyn, NY	Administration
561	Capital Holding	Thomas C Simons (51)	267	—	13	**280**	2	2	Pasadena, Cal	Insurance
444	Carnation	H Everett Olson (73)	315	—	56	**371**	49	12	Chicago, Ill	Finance
772	Carolina Pwr & Lt	Sherwood H Smith Jr (45)	128	6	4	**138**	15	1	Jacksonville, Fla	Legal
368	Carter Hawley Hale	Philip M Hawley (54)	421	7	7	**435**	22	3	Portland, Ore	Retailing
498	Castle & Cooke	Donald J Kirchhoff (55)	328	—	—	**328**	24	5	St Louis, Mo	Administration
275	Caterpillar Tractor	Lee L Morgan (60)	406	118	–5	**520**	34	2	Aledo, Ill	Marketing
163	CBI Industries	Marvin G Mitchell (63)	365	8	321	**694**	41	10	Waycross, Ga	Sales
127	CBS	[9]John D Backe (47)	732	7	35	**774**	7	3	Akron, Ohio	Finance
677	CBT	Walter J Connolly Jr (51)	174	3	19	**196**	19	3	Boston, Mass	Banking
134	Celanese	John D Macomber (52)	490	6	252	**748**	7	2	Rochester, NY	Administration
601	Central & South West	[10]Silas B Phillips Jr (65)	234	—	17	**251**	40	14	Portland, Ore	Administration
558	Central Bancorp	Oliver W Birckhead (58)	165	117	—	**282**	29	8	Brooklyn, NY	Administration
685	Central Bancshares	Harry B Brock Jr (54)	186	7	—	**193**	9	9	Fort Payne, Ala	Founder
765	Central Fidelity Bks	Alvin R Clements (53)	139	—	3	**142**	7	5	Charlottesville, Va	Banking
663	Centl Louisiana Engy	Gale L Galloway (50)	153	53	—	**206**	6	1	Pearsall, Tex	Legal
586	Central Soya	[11]Joseph F Jones (65)	262	—	—	**262**	20	4	De Soto, Mo	Production
479	Central Tel & Utils	Robert P Reuss (62)	255	8	77	**341**	7	7	Aurora, Ill	Operations
550	Centran	John A Gelbach (62)	250	12	24	**286**	24	9	Ellwood City, Pa	Finance
673	Certain-teed	Gabriel Aufaure (60)	199	—	—	**199**	8	1	France	Technical
461	Cessna Aircraft	Russell W Meyer (47)	306	—	52	**359**	6	5	Davenport, Iowa	Legal
145	Champion Intl	Andrew C Sigler (48)	516	20	195	**731**	23	5	Brooklyn, NY	Marketing
367	Champion Spark Plug	Robert A Stranahan Jr (65)	359	—	77	**436**	44	25	Toledo, Ohio	Administration
440	Charter	Raymond K Mason (53)	293	62	17	**373**	28	17	Jacksonville, Fla	Founder
211	Chase Manhattan	[12]David Rockefeller (65)	578	10	31	**618**	34	11	New York, NY	Banking
331	Chemical New York	Donald C Platten (61)	423	29	11	**464**	39	7	New York, NY	Banking
365	Chesebrough-Pond's	Ralph E Ward (59)	343	94	—	**437**	33	12	Scotch Plains, NJ	Marketing
300	Chessie System	Hays T Watkins (54)	491	9	—	**500**	31	9	Fern Creek, Ky	Finance
296	Chromalloy American	[13]Wesley J Barta (67)	488	17	—	**505**	32	1	Finley, ND	Administration
36	Chrysler	Lee A Iacocca (55)	1,266	—	120	**1,386**	1	1	Allentown, Pa	Operations
257	Chubb	William M Rees (64)	537	—	—	**537**	42	10	Brooklyn, NY	Insurance
737	Cincinnati G & E	William H Dickhoner (58)	145	—	16	**161**	39	4	Cincinnati, Ohio	Technical

†For FORBES definitions and methodology see page 116.

[8] Succeeded by C.B. Lane, 1/1/80.

[9] Resigned, successor not yet named.

[10] Succeeded by Durwood Chalker, 3/1/80.

[11] Succeeded by Douglas G. Fleming, 1/1/80.

[12] Succeeded by Willard C. Butcher, 1/1/80.

[13] Succeeded by Richard L. Wachtell, 1/1/80.

Who Gets The Most Pay

			Compensation ($000)				Years served			
Rank	Company	Chief executive (Age)	Salary & bonus†	Options, rights & benefits†	Contingent†	Total	with company	as chief	Place of birth	Business background
314	**Cincinnati Milacron**	**James A Geier** (54)	295	1	189	**485**	29	10	Cincinnati, Ohio	Technical
197	**Citicorp**	**Walter B Wriston** (60)	535	6	98	**639**	34	10	Middletown, Conn	Banking
517	**Cities Service**	**Robert V Sellers** (53)	300	14	—	**314**	29	8	Bartlesville, Okla	Technical
692	**Citizens & Southern NB Ga**	**Bennett A Brown** (51)	176	11	—	**187**	25	2	Kingstree, SC	Banking
689	**Citizens Fidelity**	**J David Grissom** (41)	187	—	2	**189**	7	3	Portsmouth, Ohio	Legal
9	**City Investing**	**George T Scharffenberger** (61)	729	6	1,850	**2,585**	14	14	Ridgewood, NJ	Operations
139	**Clark Equipment**	**Bert E Phillips** (61)	340	44	354	**737**	32	7	Quincy, Ill	Marketing
500	**Clark Oil & Refining**	**Robert G Reed III** (52)	324§	—	—	**324**	1	1	Cambridge, Mass	Marketing
478	**Cleveland-Cliffs**	**Samuel K Scovil** (57)	241	3	98	**341**	29	3	Cleveland, Ohio	Sales
702	**Cleveland Elec Illum**	**Robert M Ginn** (56)	166	10	5	**180**	31	1	Detroit, Mich	Technical
356	**Coastal Corp**	**Oscar S Wyatt Jr** (55)	442	2	—	**443**	24	24	Beaumont, Tex	Founder
101	**Coca-Cola**	**J Paul Austin** (65)	749	53	50	**852**	30	13	La Grange, Ga	Legal
149	**Colgate-Palmolive**	**Keith Crane** (59)	443	10	272	**724**	43	1	New Zealand	Administration
245	**Colonial Penn Group**	**John J MacWilliams** (51)	321	23	215	**559**	11	10	Syracuse, NY	Administration
10	**Colt Industries**	**George A Strichman** (63)	631	1,433	375	**2,439**	17	17	Schenectady, NY	Administration
508	**Columbia Gas System**	**Bernard J Clarke** (59)	300	19	—	**320**	28	4	Philadelphia, Pa	Technical
769	**Columbus & So Ohio**	**Ben T Ray** (54)	135	5	—	**140**	29	1	Glouster, Ohio	Administration
325	****Combined International**	**Clement Stone** (52)	440	1	27	**469**	29	7	Evanston, Ill	Insurance
21	**Combustion Engnrng**	**Arthur J Santry Jr** (61)	574	—	1,352	**1,926**	24	17	Brookline, Mass	Legal
785	**Commerce Bancshrs**	**James M Kemper Jr** (58)	118	8	—	**126**	33	13	Kansas City, Mo	Banking
492	**Commercial Metals**	**Stanley A Rabin** (42)	300	3	28	**331**	10	1	New York, NY	Administration
518	**Commonwlth Edison**	**[14]Thomas G Ayers** (65)	283	30	—	**313**	42	7	Detroit, Mich	Administration
301	**Commonwealth Oil**	**C Howard Hardesty Jr** (58)	500	—	—	**500**	1	1	Fairmont, W Va	Legal
247	**Connecticut General**	**Robert D Kilpatrick** (56)	371	—	186	**557**	26	3	Fairbanks, La	Insurance
25	**Conoco**	**Ralph E Bailey** (56)	506	21	1,243	**1,770**	15	1	Lynnville, Ind	Technical
471	**Consolidated Edison**	**Charles F Luce** (62)	216	132	—	**349**	12	12	Platteville, Wisc	Administration
306	**Consolidated Foods**	**John H Bryan Jr** (43)	493	—	—	**493**	20	5	West Point, Miss	Administration
112	**Consol Freightways**	**[15]Raymond F O'Brien** (58)	339	151	320	**810**	22	3	Atchison, Kan	Finance
623	**Consol Natural Gas**	**George J Tankersley** (59)	220	5	11	**236**	13	1	Ruston, La	Administration
716	**Consolidated Papers**	**George W Mead** (52)	171	—	—	**171**	27	14	Milwaukee, Wisc	Operations
560	**Consumers Power**	**John D Selby** (58)	275	—	6	**281**	5	2	Odebolt, Iowa	Technical
173	**Continental Airlines**	**[16]Robert F Six** (73)	419	—	258	**677**	43	42	Stockton, Cal	Administration
507	**Continental Bank**	**Roy T Peraino** (52)	175	145	—	**320**	22	10	Philadelphia, Pa	Finance
272	**Continental Corp**	**John B Ricker Jr** (62)	372	7	144	**523**	41	4	Augusta, Ga	Insurance
154	**Continental Group**	**Robert S Hatfield** (64)	535	—	177	**712**	44	8	Utica, NY	Marketing
100	**Continental Illinois**	**Roger E Anderson** (58)	557	138	158	**853**	33	7	Chicago, Ill	Banking
321	**Continental Tel**	**Charles Wohlstetter** (70)	390	29	53	**473**	19	8	New York, NY	Finance
298	**Control Data**	**William C Norris** (68)	505	—	—	**505**	22	22	Red Cloud, Neb	Founder
88	**Cooper Industries**	**Robert Cizik** (49)	495	223	164	**882**	18	5	Scranton, Pa	Finance
641	**Adolph Coors**	**William K Coors** (63)	221	—	—	**221**	40	19	Golden, Colo	Technical
270	**Corning Glass Works**	**Amory Houghton Jr** (53)	400	28	96	**525**	28	16	Corning, NY	Operations
361	**Cox Broadcasting**	**Clifford M Kirtland Jr** (56)	222	218	—	**440**	16	6	Buffalo, NY	Finance
131	**CPC International**	**James W McKee Jr** (57)	455	31	270	**756**	33	7	Pittsburgh, Pa	Finance
515	**Crane**	**Thomas M Evans** (69)	316	—	—	**316**	21	21	Pittsburgh, Pa	Finance
183	**Crocker National**	**Thomas R Wilcox** (63)	446	51	168	**666**	6	6	New York, NY	Banking
587	**Crown Central Petrol**	**Henry A Rosenberg Jr** (50)	253	7	—	**260**	27	9	Pittsburgh, Pa	Administration
697	**Crown Cork & Seal**	**John F Connelly** (75)	180	4	—	**184**	23	23	Philadelphia, Pa	Sales
345	**Crown Zellerbach**	**Charles R Dahl** (58)	421	15	16	**453**	30	10	Brooklyn, NY	Production
243	**Crum & Forster**	**B P Russell** (60)	355	8	197	**561**	38	9	Fort Worth, Tex	Insurance
705	**Cullen/Frost Bankers**	**Thomas C Frost Jr** (52)	140	7	30	**176**	30	14	San Antonio, Tex	Banking

†For FORBES definitions and methodology see page 116.

§CEO joined company in 1979; salary data less than full year.

**Formerly Combined Insurance.

[14] Succeeded by James J. O'Connor, 3/1/80.

[15] Succeeded by Lary R. Scott, 4/29/80.

[16] Succeeded by Alvin L. Feldman, 2/1/80.

Who Gets The Most Pay

			Compensation ($000)				Years served			
Rank	Company	Chief executive (Age)	Salary & bonus†	Options, rights & benefits†	Contingent†	Total	with company	as chief	Place of birth	Business background
406	Cummins Engine	Henry B Schacht (45)	402	26	–24	404	15	10	Erie, Pa	Administration
462	Cyclops	William H Knoell (55)	199	62	96	358	13	7	Pittsburgh, Pa	Legal
281	Dana	Gerald B Mitchell (52)	378	137	2	516	36	1	Goderich, Can	Administration
255	Dart Industries	Justin Dart (72)	499	8	33	540	38	37	Evanston, Ill	Administration
791	Data General	Edson D deCastro (41)	116	—	—	116	12	12	Plainfield, NJ	Founder
43	Datapoint	Harold E O'Kelley (55)	283	949	33	1,265	7	7	Jacksonville, Fla	Technical
774	Dayton Power & Light	Robert E Frazer (51)	135	—	—	135	5	2	Detroit, Mich	Finance
72	Dayton-Hudson	William A Andres (53)	556	277	141	974	21	3	Fayette, Iowa	Retailing
629	Dean Witter Reynolds	Andrew J Melton Jr (60)	195	9	25	229	7	1	Bay Shore, NY	Investment
108	Deere	William A Hewitt (65)	518	317	—	835	31	25	San Francisco, Cal	Marketing
786	Delmarva Power & Lt	Robert D Weimer (58)	122	—	3	125	32	6	Pemberville, Ohio	Administration
310	Delta Air Lines	David C Garrett Jr (57)	465	2	20	487	33	2	Norris, SC	Operations
762	Deluxe Check Printers	Eugene R Olson (54)	124	2	18	144	36	2	St Paul, Minn	Marketing
795	Deposit Guaranty	[17]J Herman Hines (65)	88	8	15	111	43	5	Jackson, Miss	Banking
612	Detroit Edison	William G Meese (63)	245	—	—	245	39	8	Rugby, ND	Technical
511	DETROITBANK	Rodkey Craighead (63)	228	7	83	317	34	2	Pittsburgh, Pa	Banking
470	Diamond Intl	William J Koslo (50)	336	12	—	349	25	3	Mt Carmel, Pa	Sales
169	Diamond Shamrock	William H Bricker (48)	562	15	108	685	11	3	Detroit, Mich	Marketing
199	Di Giorgio	Robert Di Giorgio (68)	358	2	277	637	43	14	New York, NY	Finance
528	Digital Equipment	Kenneth H Olsen (54)	278	2	23	303	22	22	Bridgeport, Conn	Founder
277	Dillingham	Herbert C Cornuelle (60)	373	33	113	519	10	3	Cincinnati, Ohio	Operations
642	Dillon Companies	Ray E Dillon Jr (56)	210	—	11	221	33	17	Hutchinson, Kan	Administration
454	Walt Disney	E Cardon Walker (64)	245	104	15	364	42	3	Rexburg, Ida	Marketing
667	Dominion Bankshares	Byron A Hicks (63)	184	18	—	202	34	2	Moneta, Va	Finance
505	Donaldson, Lufkin	Richard H Jenrette (51)	288	—	33	321	20	6	Raleigh, NC	Founder
69	R R Donnelley & Sons	Charles W Lake Jr (62)	377	36	580	992	34	16	La Porte, Ind	Production
374	Dover	Thomas C Sutton (59)	242	55	134	431	29	16	Longmont, Colo	Sales
113	Dow Chemical	Paul F Oreffice (52)	387	208	215	809	27	2	Italy	Finance
192	Dow Jones	Warren H Phillips (54)	362	182	102	645	33	5	New York, NY	Journalism
399	Dravo	Robert Dickey III (62)	315	58	33	406	32	15	Pittsburgh, Pa	Sales
34	Dresser Industries	John V James (61)	332	291	791	1,414	22	10	Plains Township, Pa	Finance
652	Duke Power	Carl Horn Jr (58)	188	2	20	211	26	9	Rutherfordton, NC	Legal
38	Dun & Bradstreet	Harrington Drake (60)	490	30	814	1,334	32	5	Kansas City, Mo	Marketing
89	E I du Pont	Irving S Shapiro (63)	701	187	–13	875	29	6	Minneapolis, Minn	Legal
721	Duquesne Light	John M Arthur (57)	162	7	—	168	35	11	Pittsburgh, Pa	Operations
394	Eastern Air Lines	Frank Borman (52)	317	26	66	410	10	4	Gary, Ind	Technical
555	Eastern Gas & Fuel	William J Pruyn (57)	216	3	65	284	28	2	Boston, Mass	Finance
200	Eastman Kodak	Walter A Fallon (62)	604	5	23	632	38	8	Schenectady, NY	Production
165	Eaton	E Mandell de Windt (59)	657	21	14	693	38	10	Grt Barrington, Mass	Operations
419	Jack Eckerd	Stewart Turley (45)	295	44	49	389	13	5	Mt Sterling, Ky	Administration
483	El Paso	Travis H Petty (59)	274	20	42	337	34	1	Clarksville, Tex	Administration
142	Emerson Electric	Charles F Knight (44)	613	28	93	734	7	6	Lake Forest, Ill	Administration
418	Emhart	T Mitchell Ford (59)	265	121	3	389	21	10	Albany, NY	Legal
42	Energy Reserves Group	Richard K Volk (44)	150	37	1,082	1,269	7	7	Denver, Colo	Technical
20	Engelhard Minerals	Milton F Rosenthal (66)	1,523	1	474	1,998	15	15	New York, NY	Administration
388	ENSERCH	William C McCord (52)	242	19	156	417	31	9	San Antonio, Tex	Technical
739	Equimark	William E Bierer (50)	150	10	—	160	11	1	Uniontown, Pa	Banking
747	Equitable Bancorp	Owen Daly II (55)	143	5	6	155	15	5	Denver, Colo	Finance
738	Equitable of Iowa	Kenneth R Austin (60)	126	1	34	161	32	10	Keosauqua, Iowa	Administration
741	Equitable Sav & Loan	William E Love (54)	155	3	2	159	10	6	Eugene, Ore	Legal

†For FORBES definitions and methodology see page 116.

[17] Succeeded by Warren A. Hood, 1/1/80.

Who Gets The Most Pay

			Compensation ($000)				Years served			
Rank	Company	Chief executive (Age)	Salary & bonus†	Options, rights & benefits†	Contingent†	Total	with company	as chief	Place of birth	Business background
625	ERC	Stanford Miller (66)	171	64	—	235	41	13	Kansas City, Mo	Insurance
135	Esmark	Donald P Kelly (58)	666	3	76	745	26	2	Chicago, Ill	Finance
421	Ethyl	Floyd D Gottwald Jr (57)	363	24	—	386	37	10	Richmond, Va	Administration
315	Evans Products	Monford A Orloff (66)	484	—	—	484	22	17	Omaha, Neb	Legal
347	Ex-Cell-O	Edward J Giblin (62)	415	37	—	452	26	8	New York, NY	Finance
24	Exxon	Clifton C Garvin Jr (58)	830	148	843	1,821	33	4	Portsmouth, Va	Technical
771	Farmers Group	Richard G Lindsley (58)	139	—	—	139	29	1	Minneapolis, Minn	Insurance
801	Fed-Mart	[18]Hugo Mann (66)	0	—	—	0	5	4	Germany	Retailing
640	Fedl Natl Mortgage	A Oakley Hunter (64)	175	9	37	221	10	10	Los Angeles, Cal	Legal
201	Federated Dept Stores	Ralph Lazarus (66)	450	41	140	631	45	12	Columbus, Ohio	Administration
589	Fidelcor	Raymond J Dempsey (45)	196	26	38	260	1	1	Yonkers, NY	Banking
637	Fidelity Financial	Adolph C Meyer Jr (55)	206	16	—	222	17	11	Oakland, Cal	Sales
581	Fidelity Union Bncp	C Malcolm Davis (61)	228	—	40	268	24	10	Roslyn, NY	Banking
763	Fin Cp Santa Barbara	David L Tilton (53)	140	2	—	142	28	14	Santa Barbara, Cal	Finance
566	Financial Federation	Edward L Johnson (70)	193	83	—	276	20	20	Chicago, Ill	Finance
793	Financial General	J William Middendorf II (55)	110	—	5	115	3	3	Baltimore, Md	Finance
299	Firestone	Richard A Riley (64)	489	—	14	503	40	6	Fall River, Mass	Administration
630	First Alabama Bshs	Frank A Plummer (68)	183	25	19	228	15	9	Richland, NY	Finance
750	First American Bank	James H Duncan (55)	153	—	—	153	30	10	Madison, Wisc	Banking
752	First Amtenn	Kenneth L Roberts (47)	150	1	—	151	4	3	Dungannon, Va	Banking
676	First & Merchants	C Coleman McGehee (55)	187	10	—	197	31	6	Franklin, Va	Banking
534	First Atlanta	Thomas R Williams (51)	231	42	25	298	7	4	Atlanta, Ga	Banking
441	First Bank System	Donald R Grangaard (61)	339	33	—	373	41	11	Rothsay, Minn	Administration
254	First Boston	George L Shinn (57)	325	—	216	541	5	5	Newark, Ohio	Administration
656	First Charter Finl	S Mark Taper (78)	209	—	—	210	25	25	England	Founder
530	First Chicago	[19]A Robert Abboud (51)	298	3	—	301	21	4	Boston, Mass	Banking
424	First City Bancorp	James A Elkins Jr (61)	332	14	38	384	38	17	Galveston, Tex	Banking
761	First Empire State	Claude F Shuchter (57)	133	—	13	146	21	3	Chicago, Ill	Banking
800	First Florida Banks	Chester H Ferguson (71)	2‡	—	—	2‡	8	8	Americus, Ga	Legal
501	First Hawaiian	John D Bellinger (57)	208	7	108	323	38	10	Honolulu, Haw	Banking
264	First Intl Bshs	Robert H Stewart III (54)	364	14	153	532	29	20	Dallas, Tex	Finance
680	First Kentucky Natl	A Stevens Miles (50)	188	—	7	195	26	5	Louisville, Ky	Banking
659	First Maryland Bncp	J Owen Cole (51)	180	26	—	207	23	6	Rutherfordton, NC	Administration
729	First Natl Bancorp	Theodore D Brown (58)	154	3	7	165	10	3	Denver, Colo	Banking
430	First Natl Boston	Richard D Hill (60)	294	25	60	379	34	8	Salem, Mass	Banking
700	First Natl Charter	Gordon E Wells (52)	181	—	—	181	28	3	Hamburg, Iowa	Banking
668	First National Cinc	William N Liggett (63)	180	—	20	200	32	9	Ripley, Ohio	Finance
717	First Natl State Bcp	Robert R Ferguson Jr (56)	170	—	—	170	30	7	Savannah, Ga	Finance
745	First Natl Supermkts	Richard J Bogomolny (45)	155	1	—	156	7	5	Cleveland, Ohio	Legal
798	First Oklahoma Bncp	Charles A Vose (79)	77	—	5	82	59	21	Clinton, Iowa	Finance
707	First Pennsylvania	George A Butler (52)	168	7	—	175	30	1	Westmont, NJ	Banking
633	First Security	George S Eccles (80)	227	—	—	227	58	34	Baker, Ore	Founder
514	First Tennessee Natl	Ronald A Terry (49)	220	97	—	316	23	6	Memphis, Tenn	Banking
571	First Union Bancorp	Clarence C Barksdale (48)	264	8	—	272	21	2	St Louis, Mo	Banking
557	First Union	C Clifford Cameron (60)	209	24	50	283	16	13	Meridian, Miss	Banking
698	First United Bancorp	Paul W Mason (59)	175	—	8	183	18	10	Wichita, Kan	Banking
732	First Virginia Banks	Thomas K Malone Jr (60)	159	5	—	164	29	1	Burlington,Vt	Banking
696	First Wisconsin	Hal C Kuehl (57)	169	14	2	185	33	2	Davenport, Iowa	Banking
572	Fisher Foods	‡‡Dominick DiMatteo Jr (62)	260	12	—	272	55	1	Chicago, Ill	Retailing
664	Flagship Banks	Philip F Searle (55)	165	28	13	205	5	5	Geneva, Ohio	Administration

†For FORBES definitions and methodology see page 116.

‡Director's fees only; excludes fees paid to law firm of which Mr. Ferguson is a partner.

‡‡Shares "Office of the President" with R.G. Everett and C. Fazio.

[18] Mr. Mann as Trustee for Mann GmbH beneficially owns 68% of the common stock. To be succeeded as CEO of Fed-Mart by Heinz L. Gundlach. 3/26/80.

[19] To be replaced by unnamed successor.

Who Gets The Most Pay

Rank	Company	Chief executive (Age)	Compensation ($000)				Years served		Place of birth	Business background
			Salary & bonus†	Options, rights & benefits†	Contingent†	Total	with company	as chief		
437	Fleming Companies	Richard D Harrison (57)	256	81	37	374	26	14	Salt Lake City, Utah	Legal
503	Flickinger	Robert F Norris (58)	309	—	12	321	7	5	Mullinville, Kan	Administration
792	Florida Natl Banks	John H Manry Jr (58)	115	1	—	116	40	5	Miami, Fla	Banking
742	Florida Power	Andrew H Hines Jr (57)	151	—	7	158	28	7	Lake City, Fla	Technical
414	Florida Power & Lt	Marshall McDonald (62)	230	2	161	393	8	8	Memphis, Tenn	Finance
28	Fluor	J Robert Fluor (58)	638	915	141	1,695	34	12	Santa Ana, Cal	Finance
126	FMC	Robert H Malott (53)	479	—	295	774	27	8	Boston, Mass	Operations
352	Food Fair	Grant C Gentry (56)	450	—	—	450	1	1	Chicago, Ill	Legal
156	Ford Motor	Philip Caldwell (60)	620	13	74	707	27	1	Bourneville, Ohio	Administration
397	Foremost-McKesson	Thomas E Drohan (52)	327	70	11	407	18	2	Newton, Mass	Operations
574	Fort Howard Paper	Paul J Schierl (45)	223	33	14	271	16	5	Neenah, Wisc	Legal
434	Foster Wheeler	Frank A Lee (56)	256	19	100	374	20	9	Greenville, Pa	Technical
16	Freeport Minerals	Paul W Douglas (53)	403	84	1,644	2,131	27	4	Springfield, Mass	Marketing
266	Fruehauf	Robert D Rowan (58)	440*	80	9	529	24	6	Holland, Mich	Finance
74	Fuqua Industries	John B Fuqua (62)	948	18	1	967	14	14	Prince Edw Cnty, Va	Founder
289	GAF	Jesse Werner (63)	379	1	131	512	41	18	New York, NY	Technical
342	Gamble-Skogmo	Wayne E Matschullat (63)	276	61	116	453	7	2	Page, Neb	Retailing
186	Gannett	Allen H Neuharth (56)	454	39	157	651	17	7	Eureka, SD	Journalism
535	GATX	James J Glasser (46)	260	30	8	298	19	1	Chicago, Ill	Legal
117	GEICO	John J Byrne (47)	787	3	5	795	4	4	Paterson, NJ	Insurance
699	General American Oil	William P Barnes (60)	160	23	—	183	27	2	Marlin, Tex	Legal
152	General Dynamics	David S Lewis (62)	363	2	350	715	9	9	N Augusta, SC	Administration
61	General Electric	Reginald H Jones (62)	900	—	168	1,069	40	7	England	Operations
267	General Foods	James L Ferguson (54)	485	32	9	527	17	6	Evanston, Ill	Marketing
14	General Instrument	Frank G Hickey (52)	506	—	1,700	2,206	15	5	Stevens Pt, Wisc	Marketing
239	General Mills	E Robert Kinney (63)	497	20	51	568	21	4	Burnham, Me	Administration
75	General Motors	Thomas A Murphy (64)	942	22	—	964	42	5	Hornell, NY	Finance
609	General Public Utils	William G Kuhns (58)	237	10	—	247	24	13	Milwaukee, Wisc	Finance
320	General Reinsurance	Harold J Hudson Jr (56)	474	—	—	474	24	9	Kansas City, Mo	Legal
146	General Signal	Nathan R Owen (61)	499	230	—	729	19	18	Burnt Hills, NY	Technical
225	General Tel & Elec	Theodore F Brophy (57)	405	—	188	592	22	4	New York, NY	Legal
491	Genl Tire & Rubber	Michael G O'Neil (58)	322	6	3	331	34	20	Akron, Ohio	Administration
469	Genesco	John L Hanigan (68)	325	28	—	353	3	3	New York, NY	Production
631	Genuine Parts	Wilton D Looney (61)	216	12	—	228	41	18	Vanna, Ga	Operations
155	Georgia-Pacific	Robert E Flowerree (59)	449	133	129	711	28	3	New Orleans, La	Operations
227	Getty Oil	Harold E Berg (65)	548	42	—	590	43	3	Stilwell, Kan	Technical
435	Giant Food	Israel Cohen (67)	300	6	69	374	44	2	Israel	Founder
706	Gibraltar Financial	Herbert J Young (48)	176	—	—	176	27	11	Los Angeles, Cal	Administration
411	Gillette	Colman M Mockler Jr (50)	349	3	45	397	22	5	St Louis, Mo	Finance
582	Girard	William B Eagleson Jr (54)	244	—	22	266	28	5	Philadelphia, Pa	Finance
33	GK Technologies	Robert P Jensen (54)	525	41	927	1,493	7	7	Chicago, Ill	Technical
718	Golden West Finl	Herbert M Sandler (48)	170	—	—	170	16	16	New York, NY	Founder
404	B F Goodrich	John D Ong (46)	365	5	35	405	19	1	Ulrichsville, Ohio	Legal
230	Goodyear	Charles J Pilliod Jr (61)	491	20	71	583	39	6	Cuyahoga Falls, Ohio	Sales
35	Gould	William T Ylvisaker (56)	461	886	43	1,391	12	12	St Paul, Minn	Administration
30	W R Grace	J Peter Grace (67)	600	38	981	1,619	43	34	Manhasset, NY	Finance
547	W W Grainger	David W Grainger (52)	253	2	33	287	30	6	Chicago, Ill	Administration
375	Great Atl & Pac Tea	[20]Jonathan L Scott (50)	406	2	22	430	5	5	Nampa, Ida	Administration
467	Gt Northern Nekoosa	Robert Hellendale (62)	294	43	17	354	26	1	New York, NY	Legal
463	Gt Western Financial	James F Montgomery (45)	285	63	9	358	4	1	Topeka, Kan	Finance

†For FORBES definitions and methodology see page 116.

*Salary annualized.

[20] Succeeded by James Wood, 4/29/80.

Who Gets The Most Pay

			Compensation ($000)				Years served			
Rank	Company	Chief executive (Age)	Salary & bonus†	Options, rights & benefits†	Contingent†	Total	with company	as chief	Place of birth	Business background
354	Greyhound	Gerald H Trautman (67)	342	6	99	**447**	34	14	Petoskey, Mich	Legal
519	Grumman	John C Bierwirth (56)	263	—	50	**313**	7	5	Lawrence, NY	Finance
177	Gulf & Western Inds	Charles G Bluhdorn (53)	445	224	4	**674**	24	24	Austria	Founder
65	Gulf Oil	Jerry McAfee (63)	403	164	460	**1,028**	35	4	Port Arthur, Tex	Operations
657	Gulf States Utils	W Donham Crawford (57)	190	13	5	**209**	2	2	Little Rock, Ark	Administration
6	Gulf United	E Grant Fitts (64)	450	2,213	498	**3,160**	12	12	Montevallo, Ala	Legal
31	Halliburton	John P Harbin (62)	563	864	180	**1,607**	31	8	Waxahachie, Tex	Finance
495	Hammermill Paper	Albert F Duval (59)	261	61	7	**329**	20	9	Holyoke, Mass	Marketing
198	Hanna Mining	Robert F Anderson (59)	450	132	56	**638**	33	1	Hibbing, Minn	Production
573	Harris Bankcorp	Charles M Bliss (58)	246	26	—	**272**	36	2	Evanston, Ill	Banking
109	Harris Corp	Joseph A Boyd (59)	462	172	197	**830**	18	2	Oscar, Ky	Technical
416	Harsco	Jeffrey J Burdge (58)	252	45	94	**391**	26	3	England	Finance
627	Hartford Natl	Robert L Newell (57)	175	5	51	**231**	34	4	Hartford, Conn	Banking
124	H J Heinz	Anthony J F O'Reilly (44)	586	29	163	**779**	13	1	Ireland	Legal
579	Walter E Heller Intl	Franklin A Cole (54)	265	4	—	**269**	17	9	Park Falls, Wisc	Legal
758	Helmerich & Payne	Walter H Helmerich III (57)	135	7	5	**148**	31	20	Tulsa, Okla	Administration
246	Hercules	Alexander F Giacco (60)	504	12	42	**558**	38	2	Italy	Technical
455	Hershey Foods	William E C Dearden (57)	288	—	75	**364**	22	4	Philadelphia, Pa	Sales
188	Heublein	Stuart D Watson (63)	644	2	—	**647**	13	12	Decatur, Ill	Marketing
178	Hewlett-Packard	John A Young (48)	306	153	214	**672**	21	2	Nampa, Ida	Technical
417	Hilton Hotels	Barron Hilton (52)	369	9	11	**390**	25	14	Dallas, Tex	Administration
355	Holiday Inns	Roy E Winegardner (59)	322	3	122	**447**	6	1	Springfield, Mo	Administration
584	Homestake Mining	Harry M Conger (49)	189	1	75	**264**	4	1	Seattle, Wash	Technical
78	Honeywell	Edson W Spencer (54)	513	148	286	**947**	25	5	Chicago, Ill	Sales
450	George A Hormel	Ira J Holton (60)	365	1	—	**366**	33	8	Cedar Rapids, Iowa	Legal
410	Hospital Corp of Am	Donald S MacNaughton (62)	400	—	—	**400**	1	1	Schnectady, NY	Insurance
695	Hospital Trust	Henry S Woodbridge Jr (51)	185	1	—	**185**	25	5	Boston, Mass	Finance
104	Household Finance	Gilbert R Ellis (64)	517	328	—	**845**	45	7	Powersville, Mo	Operations
626	Houston Industries	Don D Jordan (48)	200	24	7	**231**	23	3	Corpus Christi, Tex	Legal
205	Houston Natural Gas	Robert R Herring (59)	364	256	7	**627**	16	12	Childress, Tex	Technical
189	Houston Oil & Min	F Fox Benton Jr (41)	238	375	33	**647**	13	1	Houston, Tex	Finance
754	Howard Johnson	Howard B Johnson (47)	150	—	—	**150**	25	16	Boston, Mass	Administration
203	Hughes Tool	James R Lesch (58)	360	158	111	**629**	33	1	Apache, Okla	Administration
27	Humana	David A Jones (48)	451	1,282	5	**1,738**	18	18	Louisville, Ky	Founder
564	Huntington Bshs	Arthur D Herrmann (53)	250	—	27	**277**	29	4	Louisville, Ky	Banking
334	E F Hutton Group	Robert M Fomon (55)	435	3	20	**458**	29	9	Chicago, Ill	Investment
407	Hyster	William H Kilkenny (61)	268	11	123	**403**	33	5	Portland, Ore	Marketing
137	IC Industries	William B Johnson (61)	543	109	91	**743**	14	14	Salisbury, Md	Legal
711	Idaho First Natl Bk	Thomas C Frye (61)	173	—	—	**173**	42	10	Ontario, Ore	Banking
510	Ideal Basic Inds	John A Love (63)	211	12	95	**318**	6	5	Gibson City, Ill	Legal
722	Illinois Power	Wendell J Kelley (54)	159	2	6	**167**	30	13	Champaign, Ill	Technical
799	Imperial Corp of Am	[21]G Kenneth Handley (74)	56§	9	—	**65**	1	1	Salt Lake City, Utah	Investment
190	INA	Ralph S Saul (58)	451	4	192	**647**	5	5	Brooklyn, NY	Legal
708	Indiana National	Thomas W Binford (56)	160	2	13	**174**	4	4	Indianapolis, Ind	Administration
537	Industrial National	John J Cummings Jr (57)	233	5	58	**296**	33	9	Providence, RI	Finance
654	Indust Valley Bank	[22]Richard W Havens (59)	201	7	3	**211**	26	26	Philadelphia, Pa	Finance
125	Ingersoll-Rand	William L Wearly (64)	757	—	20	**777**	17	12	Warren, Ind	Sales
337	Inland Steel	Frederick G Jaicks (61)	448	—	10	**458**	39	8	Chicago, Ill	Production
513	Intel	Gordon E Moore (51)	304	—	13	**317**	11	5	San Francisco, Cal	Founder
350	Interco	William L Edwards Jr (61)	375	—	75	**450**	10	4	Pittsburgh, Pa	Finance

†For FORBES definitions and methodology see page 116.

§CEO joined company in 1979; salary data less than full year.

[21] Succeeded by James A. Coles, 5/5/80.

[22] Succeeded by Joseph A. Gallagher, 1/1/80.

Who Gets The Most Pay

			Compensation ($000)				Years served			
Rank	Company	Chief executive (Age)	Salary & bonus†	Options, rights & benefits†	Contingent†	Total	with company	as chief	Place of birth	Business background
295	**Interlake**	**Reynold C MacDonald** (61)	337	38	132	**506**	13	11	Billings, Mont	Operations
81	**IBM**	**Frank T Cary** (59)	698	230	—	**928**	32	7	Gooding, Ida	Marketing
456	**Intl Flavors & Frag**	**Henry G Walter Jr** (69)	354	9	—	**363**	17	17	New York, NY	Legal
57	**Intl Harvester**	**Archie R McCardell** (53)	845	24	255	**1,125**	2	2	Hazel Park, Mich	Finance
115	**Intl Minerals & Chem**	**Richard A Lenon** (59)	499	34	261	**795**	12	9	Lansing, Mich	Finance
370	**Intl Multifoods**	**William G Phillips** (60)	401	25	9	**434**	11	11	Cleveland, Ohio	Finance
144	**International Paper**	**Edwin A Gee** (60)	490	69	173	**732**	2	1	Washington, DC	Technical
119	**Intl Tel & Tel**	**Rand V Araskog** (49)	695	14	85	**794**	14	1	Fergus Falls, Minn	Administration
96	**InterNorth**	[23]**Willis A Strauss** (58)	405	58	397	**861**	31	13	Omaha, Neb	Technical
588	**Iowa Beef Processors**	[24]**J Fred Haigler** (68)	248	4	9	**260**	18	8	Creston, Iowa	Founder
279	**Irving Bank**	**Gordon T Wallis** (60)	518	—	—	**518**	39	9	Salt Lake City, Utah	Finance
85	**IU International**	**John M Seabrook** (63)	674	179	52	**905**	20	13	Seabrook, NJ	Technical
543	**Jefferson-Pilot**	**W Roger Soles** (59)	245	46	—	**290**	33	12	Whiteville, NC	Investment
377	**Jewel Companies**	**Weston R Christopherson** (55)	285	31	112	**429**	29	1	Walum, ND	Retailing
324	**Jim Walter**	**James W Walter** (57)	443	—	27	**469**	34	34	Lewes, Del	Founder
353	**Johns-Manville**	**John A McKinney** (56)	379	13	58	**450**	28	3	Huntsville, Tex	Legal
128	**Johnson & Johnson**	**James E Burke** (55)	528	118	126	**772**	27	3	Rutland, Vt	Marketing
319	**Johnson Controls**	**Fred L Brengel** (57)	361	33	82	**475**	32	13	Hicksville, NY	Sales
439	**Joy Manufacturing**	**James W Wilcock** (62)	304	4	65	**373**	14	12	Dayton, Ohio	Marketing
323	**K mart**	[25]**Robert E Dewar** (57)	465	6	—	**471**	31	8	Traverse City, Mich	Legal
76	**Kaiser Alum & Chem**	**Cornell C Maier** (55)	550	413	—	**963**	30	7	Herreid, SD	Operations
597	**Kaiser Steel**	**Edgar F Kaiser Jr** (37)	178	70	8	**256**	13	1	Portland, Ore	Administration
174	**Kaneb Services**	**James R Whatley** (54)	281	—	395	**676**	25	13	Pittsburg, Tex	Administration
433	**Kellogg**	**William E LaMothe** (53)	363	4	9	**375**	29	1	Brooklyn, NY	Marketing
744	**Kemper**	**Joseph E Luecke** (53)	151	5	—	**156**	28	1	Philadelphia, Pa	Insurance
48	**Kennecott**	**Thomas D Barrow** (55)	1,205	19	11	**1,235**	1	1	San Antonio, Tex	Technical
423	**Kerr-McGee**	**Dean A McGee** (76)	375	—	9	**384**	43	26	Humboldt, Kan	Production
610	**Key Banks**	**Victor J Riley Jr** (48)	228	1	18	**247**	16	6	Buffalo, NY	Finance
168	*****Kidde**	**Fred R Sullivan** (65)	636	51	—	**687**	16	16	Fort Wayne, Ind	Finance
132	**Kimberly-Clark**	**Darwin E Smith** (54)	509	—	243	**752**	22	8	Garrett, Ind	Legal
458	**Knight-Ridder News**	**Alvah H Chapman Jr** (59)	358	3	—	**361**	20	4	Columbus, Ga	Administration
258	**Koppers**	**Fletcher L Byrom** (61)	450	4	81	**535**	32	12	Cleveland, Ohio	Production
305	**Kraft**	**John M Richman** (52)	402	58	33	**493**	25	1	New York, NY	Legal
288	**Kroger**	**Lyle Everingham** (54)	477	36	—	**513**	33	2	Flint, Mich	Retailing
309	**Lear Siegler**	**Robert T Campion** (59)	471	17	—	**487**	22	9	Minneapolis, Minn	Finance
553	**Leaseway Transportn**	**Robert A Burgin** (55)	282	3	—	**285**	2	2	Rolling Fork, Miss	Operations
346	**Levi Strauss**	**Peter E Haas** (61)	418	34	—	**452**	34	4	San Francisco, Cal	Operations
506	**Libbey-Owens-Ford**	**Don T McKone** (58)	320	—	—	**320**	31	1	Jackson, Mich	Administration
748	**Liberty National**	**John W McLean** (58)	150	4	—	**154**	12	12	Okmulgee, Okla	Banking
666	**Liberty Natl Life**	**Frank P Samford Jr** (59)	181	24	—	**205**	32	13	Montgomery, Ala	Legal
105	**Liggett Group**	**Raymond J Mulligan** (58)	509	29	304	**841**	18	6	Munhall, Pa	Marketing
150	**Eli Lilly**	**Richard D Wood** (53)	454	189	74	**717**	30	7	Brazil, Ind	Marketing
569	**Lincoln First Banks**	**Alexander D Hargrave** (60)	247	—	27	**274**	17	6	Canandaigua, NY	Legal
592	**Lincoln National**	**Ian M Rolland** (47)	234	4	19	**257**	24	3	Ft Wayne, Ind	Insurance
403	**Litton Industries**	**Charles B Thornton** (66)	327	20	58	**405**	26	26	Knox County, Tex	Founder
387	**Lockheed**	**Roy A Anderson** (59)	340	53	25	**418**	23	2	Ripon, Cal	Finance
392	**Loews**	**Laurence A Tisch** (57)	394	19	—	**413**	20	19	Brooklyn, NY	Finance
453	**Lone Star Industries**	**James E Stewart** (58)	362	2	—	**364**	27	2	Minneapolis, Minn	Administration
665	**Long Island Lighting**	**Charles R Pierce** (58)	165	—	40	**205**	30	2	Bar Harbor, Me	Legal
338	**Louisiana Land**	**John G Phillips** (57)	385	1	72	**458**	28	8	Camden, Ark	Finance

†For FORBES definitions and methodology see page 116.

***Formerly Walter Kidde.

[23] Succeeded by Sam F. Segnar, 3/27/80.

[24] Succeeded by Robert L. Peterson, 3/27/80.

[25] Succeeded by Bernard M. Fauber, 2/1/80.

Who Gets The Most Pay

			Compensation ($000)				Years served			
Rank	Company	Chief executive (Age)	Salary & bonus†	Options, rights & benefits†	Contingent†	Total	with company	as chief	Place of birth	Business background
70	Louisiana-Pacific	Harry A Merlo (55)	471	81	436	**988**	30	6	Stirling City, Cal	Marketing
635	Lowe's Companies	Leonard G Herring (53)	190	5	29	**224**	24	1	Snow Hill, NC	Finance
79	LTV	W Paul Thayer (60)	708	44	190	**942**	31	9	Henryetta, Okla	Sales
311	Lubrizol	Lester E Coleman (49)	324	—	163	**486**	25	2	Akron, Ohio	Technical
222	Lucky Stores	[26]Wayne H Fisher (59)	574	—	26	**599**	17	6	Los Angeles, Cal	Administration
213	R H Macy	Donald B Smiley (65)	410	—	205	**615**	34	8	Albany, Ill	Legal
604	Malone & Hyde	Joseph R Hyde III (37)	239	—	10	**249**	15	11	Memphis, Tenn	Administration
293	Mfrs Hanover	John F McGillicuddy (49)	468	8	33	**509**	22	1	Harrison, NY	Legal
544	Manufacturers Natl	Dean E Richardson (52)	260	—	31	**290**	26	7	West Branch, Mich	Banking
256	MAPCO	[27]Robert E Thomas (65)	477	3	58	**538**	20	20	Cuyahoga Falls, Ohio	Founder
29	Marathon Oil	Harold D Hoopman (59)	489	20	1,131	**1,641**	33	4	Lucas, Kan	Production
775	Marine	George R Slater (56)	134	2	—	**135**	4	2	Indianapolis, Ind	Banking
490	Marine Midland Bks	Edward W Duffy (54)	322	10	—	**332**	24	6	Utica, NY	Banking
369	Marriott	J Willard Marriott Jr (48)	379	10	46	**435**	24	7	Washington, DC	Administration
207	Marsh & McLennan	John M Regan Jr (59)	442	37	145	**623**	34	7	Minneapolis, Minn	Insurance
598	Marshall & Ilsley	John A Puelicher (59)	150	6	99	**255**	42	22	Milwaukee, Wisc	Finance
426	Martin Marietta	J Donald Rauth (62)	375	1	5	**381**	39	7	Pitman, NJ	Technical
648	Maryland National	Robert D H Harvey (59)	176	18	21	**216**	34	16	Baltimore, Md	Finance
318	Masco	Richard A Manoogian (43)	460	16	2	**478**	22	12	Long Branch, NJ	Administration
274	May Dept Stores	David C Farrell (47)	388	47	88	**522**	24	1	Chicago, Ill	Retailing
390	Oscar Mayer	[28]P Goff Beach (65)	375	5	35	**415**	44	8	Chicago, Ill	Operations
431	MCA	Lew R Wasserman (67)	330	48	—	**378**	43	33	Cleveland, Ohio	Sales
290	J Ray McDermott	James E Cunningham (57)	397	115	—	**511**	22	1	Cresco, Iowa	Technical
481	McDonald's	Fred L Turner (47)	307	4	29	**340**	23	6	Des Moines, Iowa	Operations
452	McDonnell Douglas	Sanford N McDonnell (57)	307	45	13	**365**	31	8	Little Rock, Ark	Technical
218	McGraw-Edison	Edward J Williams (57)	457	129	22	**608**	8	7	St Louis, Mo	Finance
330	McGraw-Hill	Harold W McGraw Jr (62)	321	28	114	**464**	33	5	New York, NY	Operations
341	Mead	[29]Warren L Batts (47)	452	3	—	**454**	8	2	Norfolk, Va	Marketing
611	Medtronic	Dale R Olseth (50)	221	25	—	**246**	4	4	St James, Minn	Administration
358	Mellon National	James H Higgins (64)	327	10	105	**442**	29	5	Kansas City, Mo	Banking
428	Melville	Francis C Rooney Jr (58)	381	—	—	**381**	27	16	N Brookfield, Mass	Retailing
542	Mercantile Bancorp	Donald E Lasater (54)	271	6	14	**291**	21	9	St Louis, Mo	Legal
415	Mercantile Stores	Leon F Winbigler (54)	374	19	—	**393**	31	5	Brookfield, Mo	Retailing
545	Mercantile Texas	Gene H Bishop (50)	269	21	—	**289**	5	5	Forest, Miss	Banking
723	Merchants National	Otto N Frenzel III (49)	166	1	—	**167**	25	7	Indianapolis, Ind	Banking
147	Merck	John J Horan (59)	507	54	167	**728**	28	4	New York, NY	Legal
285	Merrill Lynch	Donald T Regan (61)	503	—	11	**514**	34	9	Cambridge, Mass	Investment
17	Mesa Petroleum	Thomas B Pickens Jr (52)	330	1,609	139	**2,078**	23	23	Holdenville, Okla	Founder
1	MGM	Frank E Rosenfelt (58)	344	4,870	—	**5,214**	24	5	Peabody, Mass	Legal
538	Fred Meyer	Oran B Robertson (62)	245	50	—	**296**	34	4	Salem, Ore	Retailing
446	MGIC Investment	Max H Karl (70)	315	11	42	**368**	23	23	Milwaukee, Wisc	Founder
621	Michigan National	Stanford C Stoddard (49)	209	20	9	**238**	26	8	Salt Lake City, Utah	Finance
593	Middle South Utils	Floyd W Lewis (54)	246	6	5	**257**	30	8	Lincoln County, Miss	Legal
583	Midlantic Banks	Robert Van Buren (55)	253	13	—	**265**	9	3	Plainfield, NJ	Banking
340	Minn Mining & Mfg	Lewis W Lehr (59)	456	—	—	**456**	33	1	Elgin, Neb	Technical
159	Missouri Pacific	Downing B Jenks (64)	561	30	109	**700**	19	8	Portland Ore	Operations
343	Mitchell Energy & Dev	George P Mitchell (61)	398	1	54	**453**	34	21	Galveston, Tex	Founder
5	Mobil	Rawleigh Warner Jr (59)	1,187	2,406	47	**3,640**	26	10	Chicago, Ill	Finance
50	Monsanto	John W Hanley (58)	761	14	413	**1,188**	7	7	Parkersburg, W Va	Marketing
276	J P Morgan	[30]Walter H Page (64)	509	—	11	**520**	42	2	Huntington, NY	Banking

†For FORBES definitions and methodology see page 116.

[26] Succeeded by S. Donley Ritchey, 2/4/80.

[27] Succeeded by Willis H. Thompson, Jr., 1/1/80.

[28] Succeeded by Jerry M. Hiegel, 3/1/80.

[29] Succeeded by James W. McSwiney, 1/15/80.

[30] Succeeded by Lewis T. Preston, 1/1/80.

Who Gets The Most Pay

Rank	Company	Chief executive (Age)	Compensation ($000)				Years served		Place of birth	Business background
			Salary & bonus†	Options, rights & benefits†	Contingent†	Total	with company	as chief		
181	Morrison-Knudsen	William H McMurren (52)	294	248	124	666	25	8	Ontario, Ore	Operations
219	Morton-Norwich	[31]John W Simmons (60)	477	3	127	607	7	7	Toledo, Ohio	Administration
776	Motorola	Robert W Galvin (57)	125	4	4	133	36	20	Marshfield, Wisc	Administration
632	Murphy Oil	Charles H Murphy Jr (60)	225	—	2	227	30	30	El Dorado, Ark	Founder
351	Nabisco	Robert M Schaeberle (57)	366	—	85	450	33	6	Newark, NJ	Finance
496	Nalco Chemical[1]	Orell T Collins (57)	225	58	46	329	24	1	Letcher County, Ky	Sales
474	National Can	Frank W Considine (58)	314	—	30	344	18	7	Chicago, Ill	Sales
651	Natl Central Financial	Wilson D McElhinny (50)	184	16	12	212	16	5	Detroit, Mich	Banking
482	National City	Claude M Blair (67)	205	—	132	337	13	8	Columbia, Tenn	Legal
420	Natl Detroit	Robert M Surdam (62)	360	28	—	388	33	12	Albany, NY	Finance
32	National Distillers	Drummond C Bell (64)	407	—	1,145	1,552	23	9	Baltimore, Md	ance
303	National Gypsum	Robert E Scifres (62)	360	10	125	494	38	2	Lafayette, Ind	Operations
548	Natl Semiconductor	Charles E Sporck (52)	232	—	54	287	13	13	Saranac Lake, NY	Production
185	National Steel	[32]George A Stinson (65)	574	39	41	654	18	14	Camden, Ark	Legal
701	National Tea	Valdyn W Schulz (51)	180	1	—	181	6	4	Edgeley, ND	Administration
608	Nationwide	Dean W Jeffers (63)	174	55	18	247	40	8	Woodsfield, Ohio	Marketing
157	Natomas	Dorman L Commons (62)	331	51	321	703	7	6	Denair, Cal	Finance
516	NCNB	Thomas I Storrs (61)	304	12	—	316	19	6	Nashville, Tenn	Banking
41	NCR	William S Anderson (61)	543	195	534	1,273	34	6	China	Marketing
725	New England Electric	Guy W Nichols (54)	164	2	—	166	32	8	Colchester, Vt	Administration
688	New England Merch	Roderick M MacDougall (54)	189	2	—	191	6	1	New York, NY	Banking
781	N Y State Elec & Gas	Charles F Kennedy (65)	129	—	—	129	6	3	Elmira, NY	Technical
443	Newmont Mining	Plato Malozemoff (70)	368	—	4	372	34	26	Russia	Administration
719	Niagara Mohawk Power	John G Haehl Jr (57)	164	—	5	169	18	7	Brooklyn, NY	Finance
451	NICOR	Clarence J Gauthier (58)	234	68	63	365	34	9	Houghton, Mich	Technical
23	NL Industries	Ray C Adam (60)	500	11	1,400	1,911	8	5	Aquilla, Tex	Administration
499	NLT	Russell L Wagner (64)	310	16	—	326	40	2	Marengo, Iowa	Insurance
312	Noble Affiliates	[33]Sam Noble (54)	184	69	233	486	31	10	Colorado Springs, Colo	Administration
329	Norfolk & Western Ry	John P Fishwick (63)	439	16	11	465	34	10	Roanoke, Va	Legal
302	North Amer Philips	Pieter C Vink (60)	453	35	8	496	15	11	The Netherlands	Marketing
683	Northeast Utilities	Lelan F Sillin Jr (62)	194	—	—	194	12	10	Tampa, Fla	Legal
599	No Calif Savings	Firmin A Gryp (52)	193	60	1	254	28	10	Monterey, Cal	Administration
787	No Indiana Pub Svc	Edmund A Schroer (52)	125	—	—	125	3	3	Hammond, Ind	Legal
734	No States Bancorp	Robert D Krestel (54)	148	14	—	162	3	2	New Castle, Pa	Finance
703	No States Power	Donald W McCarthy (58)	175	2	—	177	32	3	Minneapolis, Minn	Operations
161	Northern Trust	E Norman Staub (64)	313	50	336	698	26	1	Newark, NJ	Banking
47	Northrop	Thomas V Jones (59)	846	17	382	1,245	26	20	Pomona, Cal	Administration
577	Northwest Airlines	M Joseph Lapensky (61)	270	—	—	270	35	1	Minneapolis, Minn	Finance
596	Northwest Bancorp	Chester C Lind (61)	221	23	12	256	44	1	Firesteel, SD	Banking
98	Northwest Energy	John G McMillian (53)	460	14	381	855	7	6	Orange City, Tex	Administration
208	Northwest Industries	Ben W Heineman (66)	563	61	—	623	24	24	Wausau, Wisc	Legal
714	Northwestern Finl	Ben T Craig (47)	166	6	—	172	2	2	Gastonia, NC	Finance
86	Norton	[34]Robert Cushman (64)	391	176	328	896	35	9	Winchester, Mass	Marketing
87	Norton Simon	David J Mahoney (57)	1,000	89	−196	893	13	10	New York, NY	Marketing
236	NVF	Victor Posner (62)	485	71	16	572††	14	13	Baltimore, Md	Administration
193	Occidental Petroleum	Armand Hammer (82)	560	20	65	645	22	22	New York, NY	Finance
97	Ogden	Ralph E Ablon (64)	700	13	143	856	25	18	Tupelo, Miss	Administration
671	Ohio Casualty	John G Sloneker (58)	171	8	20	200	32	1	Hamilton, Ohio	Insurance
760	Ohio Edison	[35]John R White (64)	148	—	—	148	27	5	Akron, Ohio	Legal
783	Oklahoma Gas & Elec	James G Harlow Jr (46)	112	15	—	126	19	4	Oklahoma City, Okla	Finance

†For FORBES definitions and methodology see page 116.

††For year ended 12/31/78.

[31] Succeeded by Charles S. Locke, 4/24/80.

[32] Succeeded by Howard M. Love, 3/1/80.

[33] Succeeded by Roy Butler, 1/1/80.

[34] Succeeded by Donald R. Melville, 4/24/80.

[35] Succeeded by Justin T. Rogers, Jr., 1/1/80.

Who Gets The Most Pay

			Compensation ($000)				Years served			
Rank	Company	Chief executive (Age)	Salary & bonus†	Options, rights & benefits†	Contingent†	Total	with company	as chief	Place of birth	Business background
658	**Old Kent Financial**	**Richard M Gillett** (56)	185	5	19	**209**	22	16	Grand Rapids, Mich	Administration
286	**Olin**	**John M Henske** (57)	459	13	41	**513**	11	2	Omaha, Neb	Operations
480	**Overseas Shipholding**	**Morton P Hyman** (44)	167	174	—	**341**	10	8	New York, NY	Legal
297	**Owens-Corning Fbrgls**	**William W Boeschenstein** (54)	285	56	164	**505**	29	7	Chicago, Ill	Marketing
95	**Owens-Illinois**	**Edwin D Dodd** (61)	570	105	187	**861**	33	7	Point Pleasant, W Va	Production
405	**PACCAR**	**Charles M Pigott** (51)	397	—	7	**404**	24	12	Seattle, Wash	Administration
675	**Pacific Gas & Elec**	**Frederick W Mielke Jr** (59)	188	9	—	**197**	29	1	New York, NY	Legal
559	**Pacific Lighting**	**Paul A Miller** (55)	272	9	—	**281**	31	11	San Francisco, Cal	Finance
614	**Pacific Lumber**	**Robert B Hoover** (64)	194	—	50	**245**	40	4	Fresno, Cal	Sales
736	**Pacific Pwr & Lt**	**Don C Frisbee** (56)	161	1	—	**162**	26	14	San Francisco, Cal	Finance
438	**Paine Webber**	**James W Davant** (62)	374	—	—	**374**	34	16	McComb, Miss	Sales
339	**Pan Am World Airways**	**William T Seawell** (62)	404	1	51	**456**	8	8	Pine Bluff, Ark	Operations
389	**Panhandle Eastern**	**Richard L O'Shields** (53)	317	14	85	**416**	20	10	Ozark, Ark	Production
757	**Parker Drilling**	**Robert L Parker** (56)	148	—	—	**148**	33	26	Tulsa, Okla	Technical
493	**Parker-Hannifin**	**Patrick S Parker** (50)	313	17	—	**331**	27	8	Cleveland, Ohio	Administration
175	**Penn Central**	**Richard Dicker** (66)	455	—	219	**674**	1	1	New York, NY	Investment
49	**PennCorp Financial**	**§§Stanley Beyer** (48)	1,070	101	63	**1,234**	29	7	New York, NY	Insurance
383	**J C Penney**	**Donald V Seibert** (56)	398	14	14	**425**	32	5	Hamilton, Ohio	Retailing
773	**Pa Power & Light**	**Robert K Campbell** (50)	137	—	—	**138**	3	1	Chicago, Ill	Technical
442	**Pennwalt**	**Edwin E Tuttle** (53)	353	19	—	**372**	29	2	Syracuse, NY	Administration
11	**Pennzoil**	**J Hugh Liedtke** (58)	441	73	1,865	**2,379**	24	17	Tulsa, Okla	Legal
554	**Peoples Energy**	**Orval C Davis** (60)	264	—	21	**284**	33	2	Roseclare, Ill	Technical
794	**Peoples Natl Bank**	**Joshua Green III** (44)	115	—	—	**115**	28	3	Seattle, Wash	Banking
82	**PepsiCo**	**Donald M Kendall** (59)	584	5	334	**922**	33	17	Sequim, Wash	Marketing
253	**Perkin-Elmer**	**Robert H Sorensen** (59)	234	33	277	**543**	20	2	Racine, Wisc	Technical
754	**Petrie Stores**	**Milton J Petrie** (77)	150	—	—	**150**	48	48	Salt Lake City, Utah	Founder
215	**Petrolane**	**Rudolph J Munzer** (62)	356	240	16	**611**	33	23	Minneapolis, Minn	Sales
278	**Pfizer**	**Edmund T Pratt Jr** (53)	496	22	—	**518**	15	7	Savannah, Ga	Finance
376	**Phelps Dodge**	**George B Munr[illegible]** 58)	341	19	69	**429**	22	10	Joliet, Ill	Legal
693	**Phila Electric**	**James L Everett** (53)	184	2	—	**187**	30	2	Charlotte, NC	Technical
540	**Philadelphia Natl**	**G Morris Dorrance Jr** (57)	210	—	82	**292**	28	11	Philadelphia, Pa	Finance
182	**Philip Morris**	**George Weissman** (60)	616	15	36	**666**	28	1	New York, NY	Marketing
114	**Phillips Petroleum**	**[36]William F Martin** (63)	321	26	455	**802**	41	7	Blackwell, Okla	Finance
184	**Pillsbury**	**William H Spoor** (57)	452	78	129	**659**	30	7	Pueblo, Colo	Administration
605	**Pioneer**	**K Bert Watson** (55)	167	—	82	**249**	27	7	Ranger, Tex	Legal
746	**Pioneer Hi-Bred Intl**	**Dr William L Brown** (66)	156	—	—	**156**	35	4	Arbovale, W Va	Technical
313	**Pitney Bowes**	**Fred T Allen** (63)	380	—	105	**486**	41	6	Providence, RI	Operations
489	**Pittsburgh National**	**Merle E Gilliand** (58)	311	—	22	**333**	27	10	Pitcairn, Pa	Finance
259	**Pittston**	**Nicholas T Camicia** (64)	425	36	73	**534**	11	10	Welch, W Va	Operations
362	**Pogo Producing**	**William C Liedtke** (55)	217	17	206	**440**	10	2	Tulsa, Okla	Production
602	**Polaroid**	**[37]Edwin H Land** (71)	250	—	—	**250**	42	42	Bridgeport, Conn	Founder
779	**Portland Genl Elec**	**Frank M Warren** (64)	126	2	4	**132**	42	25	Portland, Ore	Technical
123	**Potlatch**	**Richard B Madden** (51)	425	107	248	**780**	9	9	Orange, NJ	Finance
655	**Potomac Elec Power**	**W Reid Thompson** (55)	207	3	—	**210**	9	9	Durham, NC	Legal
248	**PPG Industries**	**L Stanton Williams** (60)	425	7	125	**557**	34	1	Honolulu, Haw	Finance
171	**Procter & Gamble**	**Edward G Harness** (61)	524	33	123	**680**	40	6	Marietta, Ohio	Marketing
778	**Provident Life & Acc**	**H Carey Hanlin** (55)	125	—	7	**132**	31	1	Chattanooga, Tenn	Insurance
660	**Provident National**	**Roger S Hillas** (53)	168	—	39	**207**	29	6	Wyncote, Pa	Finance
780	**Public Service Colo**	**Richard F Walker** (56)	123	3	4	**131**	30	1	Alliance, Neb	Technical
759	**Public Service Ind**	**Hugh A Barker** (54)	136	—	11	**148**	21	3	Stillwater, Minn	Finance

†For FORBES definitions and methodology see page 116.

§§Office jointly held with Burton Borman.

[36]Succeeded by William C. Douce, 4/29/80.

[37]Succeeded by William J. McCune, Jr., 4/2/80.

Who Gets The Most Pay

Rank	Company	Chief executive (Age)	Compensation ($000)				Years served		Place of birth	Business background
			Salary & bonus†	Options, rights & benefits†	Contingent†	Total	with company	as chief		
720	**Public Service N M**	**Jerry D Geist** (46)	146	2	21	**169**	20	4	Raton, NM	Technical
647	**Pub Svc Elec & Gas**	**Robert I Smith** (61)	210	6	—	**216**	39	4	Arlington, NJ	Technical
52	**Pullman**	**Clark P Lattin Jr** (64)	351	413	379	**1,143**	14	1	Yonkers, NY	Sales
395	**Quaker Oats**	**Robert D Stuart Jr** (64)	397	8	2	**407**	33	13	Hubbard Woods, Ill	Marketing
576	**Rainier Bancorp**	**G Robert Truex Jr** (56)	225	3	42	**271**	6	6	Red Bank, NJ	Banking
202	**Ralston Purina**	**R Hal Dean** (64)	450	49	131	**630**	41	12	Mitchell, SD	Production
141	**Rapid-American**	**Meshulam Riklis** (56)	683	13	39	**735**	25	25	Turkey	Finance
563	**Raychem**	**Paul M Cook** (56)	278	—	—	**278**	23	23	Ridgewood, NJ	Founder
59	**Raytheon**	**Thomas L Phillips** (56)	453	665	—	**1,118**	32	11	Greece	Technical
242	**RCA**	**Edgar H Griffiths** (59)	429	13	122	**564**	31	3	Philadelphia, Pa	Finance
99	**Reliance Group**	**Saul P Steinberg** (40)	750	44	61	**855**	19	19	New York, NY	Founder
678	**Republic New York**	[38]**Louis Moskowitz** (64)	185	10	—	**195**	2	1	New York, NY	Banking
457	**Republic of Texas**	**James D Berry** (59)	248	5	109	**362**	30	3	Sapulpa, Okla	Banking
240	**Republic Steel**	**William J De Lancey** (64)	535	31	—	**566**	28	6	Chicago, Ill	Administration
661	**Resorts Intl**	**James M Crosby** (53)	203	2	1	**207**	21	19	Great Neck, NY	Finance
158	**Revco D S**	**Sidney Dworkin** (59)	199	317	185	**701**	24	13	Detroit, Mich	Founder
12	**Revlon**	**Michel C Bergerac** (48)	900	1,443	4	**2,346**	5	5	France	Administration
349	**Rexnord**	**Robert V Krikorian** (60)	369	—	82	**451**	29	1	New Haven, Conn	Operations
66	**R J Reynolds Inds**	**J Paul Sticht** (62)	628	—	389	**1,017**	7	2	Clairton, Pa	Marketing
250	**Reynolds Metals**	**David P Reynolds** (65)	397	—	149	**546**	43	4	Bristol, Tenn	Marketing
497	**Richardson-Merrell**	**John S Scott** (54)	286	17	25	**328**	29	4	West Orange, NJ	Marketing
686	**Riggs Natl Bank**	**Vincent C Burke Jr** (57)	192	—	—	**192**	25	4	Louisville, Ky	Banking
524	**Roadway Express**	**William F Spitznagel** (53)	279	8	21	**308**	30	2	Fairfield, Ala	Operations
45	**Rockwell Intl**	**Robert Anderson** (59)	967	7	273	**1,247**	12	6	Columbus, Neb	Technical
191	**Rohm & Haas**	**Vincent L Gregory Jr** (57)	510	6	130	**646**	30	9	Oil City, Pa	Finance
724	**Rowan Companies**	**Charles R Palmer** (45)	165	—	1	**166**	20	8	Gorman, Tex	Operations
53	**Ryder System**	**Leslie O Barnes** (63)	600	387	148	**1,135**	4	4	Canisteo, NY	Administration
486	**Safeco**	**Roland M Trafton** (60)	226	44	65	**335**	28	1	Los Angeles, Cal	Finance
435	**Safeway Stores**	[39]**William S Mitchell** (65)	374	—	—	**374**	43	6	Alameda, Cal	Finance
172	**St Joe Minerals**	**John C Duncan** (59)	347	39	293	**679**	9	8	New York, NY	Operations
487	**St Paul Companies**	**Carl B Drake Jr** (60)	302	—	32	**335**	38	7	St Paul, Minn	Insurance
363	**St Regis Paper**	**William R Haselton** (55)	324	8	108	**439**	27	1	Glens Falls, NY	Technical
749	**San Diego Gas & Elec**	**Robert E Morris** (58)	149	—	4	**154**	14	4	Parsons, Kan	Marketing
167	**Santa Fe Industries**	**John S Reed** (63)	530	35	123	**687**	40	7	Chicago, Ill	Operations
283	**Santa Fe Intl**	**Edfred L Shannon Jr** (54)	432	19	65	**516**	26	17	Durant, Okla	Technical
282	**Schering-Plough**	**Richard J Bennett** (63)	487	9	20	**516**	33	1	Brooklyn, NY	Legal
187	**Schlumberger**	**Jean Riboud** (60)	480	169	—	**649**	29	15	France	Legal
179	**SCM**	**Paul H Elicker** (57)	545	4	122	**671**	23	8	New York, NY	Finance
381	**Scott Paper**	**Charles D Dickey Jr** (62)	375	1	49	**426**	33	9	New York, NY	Operations
473	**Scovill**	**Malcolm Baldrige** (57)	342	—	4	**346**	17	17	Omaha, Neb	Administration
284	**Seaboard Coast Line**	**Prime Osborn III** (64)	354	135	27	**516**	28	3	Greensboro, Ala	Legal
525	**Seafirst**	**William M Jenkins** (61)	296	11	—	**307**	34	17	Sultan, Wash	Banking
151	**G D Searle**	**Donald H Rumsfeld** (47)	418	298	—	**716**	3	3	Chicago, Ill	Administration
136	**Sears Roebuck**	**Edward R Telling** (61)	596	—	149	**745**	34	2	Danville, Ill	Retailing
268	**Security Pacific**	**Richard J Flamson III** (51)	453	6	67	**526**	25	1	Los Angeles, Cal	Banking
715	**SEDCO**	**B Gill Clements** (38)	156	—	15	**171**	11	1	Dallas, Tex	Finance
622	**Shawmut**	[40]**D Thomas Trigg** (65)	203	1	32	**236**	43	8	Eureka, Kan	Finance
26	**Shell Oil**	**John F Bookout** (57)	645	58	1,037	**1,740**	29	4	Shreveport, La	Technical
260	**Sherwin-Williams**	**John G Breen** (45)	463	68	3	**534**	1	1	Cleveland, Ohio	Operations
44	**Signal Companies**	**Forrest N Shumway** (53)	465	53	731	**1,249**	23	12	Skowhegan, Me	Legal

†For FORBES definitions and methodology see page 116.

[38] Succeeded by Walter H. Weiner, 1/1/80.

[39] Succeeded by Peter A. Magowan, 1/1/80.

[40] To be succeeded by John P. LaWare, 7/1/80.

Who Gets The Most Pay

Rank	Company	Chief executive (Age)	Compensation ($000)				Years served		Place of birth	Business background
			Salary & bonus†	Options, rights & benefits†	Contingent†	Total	with company	as chief		
396	Singer	Joseph B Flavin (51)	407	—	—	407	4	4	St Louis, Mo	Finance
244	Smith International	Jerry W Neely (43)	340	220	—	560	14	3	Torrance, Cal	Operations
40	SmithKline	Robert F Dee (55)	406	189	708	1,303	31	8	Cincinnati, Ohio	Administration
552	Snap-On Tools	[41]Norman E Lutz (65)	285	—	—	285	34	5	Racine, Wisc	Finance
694	Society	J Maurice Struchen (59)	203	12	−29	186	10	4	Cleveland, Ohio	Banking
789	So Carolina E & G	Virgil C Summer (59)	113	4	3	120	42	1	Spartanburg, SC	Operations
735	South Carolina Natl	John H Lumpkin (64)	151	11	—	162	15	11	Fairbanks, Alas	Finance
615	Southeast Banking	Charles J Zwick (53)	213	31	—	244	11	1	Plantsville, Conn	Finance
730	Southern Bancorp Ala	Guy H Caffey Jr (54)	150	—	14	164	29	7	Verbena, Ala	Finance
551	So Calif Edison	[42]Jack K Horton (64)	273	4	8	285	21	15	Stanton, Neb	Legal
570	Southern Company	Alvin W Vogtle Jr (61)	262	11	—	273	39	10	Birmingham, Ala	Legal
238	So Natural Resources	[43]John S Shaw Jr (64)	283	198	88	569	19	12	New Orleans, La	Finance
687	So New England Tel	Alfred W Van Sinderen (56)	150	35	7	192	32	12	Brooklyn, NY	Operations
209	Southern Pacific	Benjamin F Biaggini (64)	611	—	11	622	43	12	New Orleans, La	Technical
413	Southern Railway	L Stanley Crane (64)	267	1	128	396	43	3	Cincinnati, Ohio	Operations
372	Southland	John P Thompson (54)	364	31	36	432	31	19	Dallas, Tex	Finance
408	Southland Royalty	Jon Brumley (41)	250	81	71	401	13	6	Pampa, Tex	Administration
606	Southwest Bancshs	John T Cater (44)	236	—	12	248	3	3	Temple, Tex	Banking
536	Southwestern Life	William H Seay (60)	269	13	15	297	11	11	Dallas, Tex	Finance
140	Sperry	J Paul Lyet (63)	549	52	134	736	36	7	Philadelphia, Pa	Finance
332	Square D	Mitchell P Kartalia (67)	435	29	—	464	39	12	Yukon, Pa	Marketing
366	Squibb	Richard M Furlaud (57)	477	—	−41	436	24	14	New York, NY	Legal
522	A E Staley Mfg	Donald E Nordlund (58)	298	8	3	309	24	7	Stromsburg, Neb	Administration
204	Standard Brands	F Ross Johnson (48)	489	13	125	627	9	4	Winnipeg, Can	Finance
118	Standard Oil Calif	Harold J Haynes (54)	792	2	—	794	33	6	Fort Worth, Tex	Production
4	Standard Oil Ind	John E Swearingen (61)	614	25	3,011	3,650	41	19	Columbia, SC	Production
93	Standard Oil Ohio	Alton W Whitehouse Jr (52)	400	60	405	864	11	2	Albany, NY	Legal
308	Stanley Works	Donald W Davis (59)	342	52	97	490	32	14	Springfield, Mass	Administration
628	State Street Boston	William S Edgerly (53)	225	—	5	230	4	4	Lewiston, Me	Finance
262	Stauffer Chemical	H Barclay Morley (51)	368	1	163	533	17	6	Sydney, Can	Technical
384	Sterling Drug	Dr W Clarke Wescoe (60)	380	1	42	424	10	6	Allentown, Pa	Technical
333	J P Stevens	[44]James D Finley (63)	450	13	—	463	34	10	Jackson, Ga	Sales
616	Stop & Shop	Avram J Goldberg (50)	237	3	3	244	22	1	Boston, Mass	Legal
60	Storage Technology	Jesse I Aweida (49)	500	4	596	1,100	10	10	Palestine	Founder
790	Sumitomo Bank Cal	Nimei Akamatsu (51)	110	9	—	119	7	1	Japan	Banking
754	Sun Banks of Florida	Richard F Livingston (60)	150	—	—	150	39	6	Daytona Beach, Fla	Banking
64	Sun Company	Theodore A Burtis (58)	494	20	523	1,037	13	1	Jamaica, NY	Technical
533	Sunbeam	Robert P Gwinn (73)	292	2	6	300	44	25	Anderson, Ind	Sales
460	Sundstrand	[45]James W Ethington (62)	288	70	—	359	42	1	Terre Haute, Ind	Finance
180	Super Valu Stores	Jack J Crocker (55)	267	399	—	666	7	7	Portland, Ore	Retailing
8	Superior Oil	Howard B Keck (67)	648	19	2,219	2,886	46	27	Trinidad	Administration
476	Supermarkets General	Herbert Brody (65)	335	3	5	343	24	1	Philadelphia, Pa	Founder
620	Supron Energy	Alvin M Wiederkehr (57)	234	—	5	239	28	8	Freer, Tex	Operations
532	Sysco	John F Baugh (64)	300	—	—	300	34	10	Waco, Tex	Founder
509	Tandy	Phil R North (61)	285	34	—	319	14	1	Fort Worth, Tex	Administraton
777	Tecumseh Products	Kenneth G Herrick (59)	133	—	—	133	40	9	Jackson, Mich	Production
122	Tektronix	Earl Wantland (48)	222	125	440	786	25	5	Bridge, Ore	Administration
292	Teledyne	Henry E Singleton (63)	500	9	—	509	19	19	Haslet, Tex	Founder
102	Tenneco	James L Ketelsen (49)	511	8	332	851	13	1	Davenport, Iowa	Finance
670	Tenn Valley Bancorp	William F Earthman (54)	168	26	6	200	26	8	Nashville, Tenn	Finance

†For FORBES definitions and methodology see page 116.

[41] Succeeded by Edwin C. Schindler, 4/25/80.

[42] To be succeeded by William R. Gould, 7/1/80.

[43] Succeeded by Henry C. Goodrich, 5/8/80.

[44] Succeeded by Whitney Stevens, 1/1/80.

[45] Succeeded by Evans W. Erikson, 1/1/80.

			Compensation ($000)				Years served			
Rank	Company	Chief executive (Age)	Salary & bonus†	Options rights & benefits†	Contingent†	Total	with company	as chief	Place of birth	Business background
133	**Tesoro Petroleum**	**Robert V West Jr** (59)	364	8	379	**751**	24	15	Kansas City, Mo	Founder
58	**Texaco**	**Maurice F Granville** (64)	757	212	152	**1,122**	41	8	La Grange, Tex	Technical
674	**Texas American Bshs**	**Lewis H Bond** (58)	191	—	7	**198**	28	15	Ashport, Tenn	Banking
194	**Texas Commerce Bshs**	**Ben F Love** (55)	355	185	104	**644**	13	7	Vernon, Tex	Finance
294	**Texas Eastern**	[46]**George F Kirby** (63)	328	13	166	**507**	10	7	Cheneyville, La	Administration
488	**Texas Gas Transmn**	**Dennis R Hendrix** (40)	314	13	6	**333**	7	2	Selmer, Tenn	Finance
214	**Texas Instruments**	**Mark Shepherd Jr** (57)	435	42	138	**614**	32	11	Dallas, Tex	Technical
51	**Texas Oil & Gas**	**William L Hutchison** (48)	275	300	592	**1,167**	22	4	Dallas, Tex	Legal
638	**Texas Utilities**	**T Louis Austin Jr** (61)	208	13	—	**222**	27	7	Trenton, Tenn	Production
380	**Texasgulf**	**Charles F Fogarty** (59)	326	26	74	**426**	28	6	Denver, Colo	Technical
316	**Textron**	[47]**Joseph B Collinson** (65)	371	80	31	**483**	20	2	Raymond, Ohio	Finance
712	**Third National**	**Charles J Kane** (60)	154	9	9	**172**	5	4	Louisville, Ky	Banking
221	**Tiger International**	**Wayne M Hoffman** (57)	388	87	127	**602**	12	9	Chicago, Ill	Legal
216	**Time Inc**	**Andrew Heiskell** (64)	508	51	51	**609**	43	10	Italy	Operations
269	**Times Mirror**	**Franklin D Murphy** (64)	450	76	—	**525**	11	11	Kansas City, Mo	Administration
546	**Timken**	**Joseph F Toot Jr** (45)	258	—	30	**287**	18	1	Canton, Ohio	Administration
766	**Toledo Edison**	**John P Williamson** (58)	136	2	3	**141**	29	7	Cleveland, Ohio	Finance
796	**Tom Brown**	**Thomas C Brown** (53)	84	25	—	**108**	24	24	Akron, Ohio	Founder
18	**Tosco**	**Morton M Winston** (49)	375	1,520	179	**2,074**	16	4	New York, NY	Legal
252	**Trans Union**	**Jerome W Van Gorkom** (62)	449	—	95	**544**	23	17	Denver, Colo	Finance
512	**Trans World**	**L Edwin Smart** (56)	246	1	70	**317**	13	3	Columbus, Ohio	Legal
138	**Transamerica**	**John R Beckett** (62)	720	18	—	**738**	19	14	San Francisco, Cal	Administration
39	**Transco Companies**	**William J Bowen** (58)	304	41	962	**1,307**	5	5	Sweetwater, Tex	Operations
526	**TRANSOHIO Financial**	**Warner B Bishop** (61)	238	56	11	**305**	17	17	Lakewood, Ohio	Administration
231	**Travelers**	**Morrison H Beach** (63)	496	8	77	**581**	40	7	Winsted, Conn	Insurance
679	**Trust Co of Georgia**	**Robert Strickland** (53)	181	1	13	**195**	31	3	Atlanta, Ga	Banking
226	**TRW**	**Ruben F Mettler** (56)	540	3	47	**590**	25	2	Shafter, Cal	Technical
768	**Tucson Electric Power**	**Theodore M Welp** (46)	122	19	—	**140**	6	4	San Francisco, Cal	Finance
520	**Turner Construction**	**Walter B Shaw** (60)	253	26	32	**312**	39	3	New York, NY	Operations
251	**Twentieth Century-Fox**	**Dennis C Stanfill** (53)	655	15	−125	**545**	10	8	Centerville, Tenn	Finance
391	**UAL**	**Richard J Ferris** (44)	394	20	—	**414**	8	1	Sacramento, Cal	Administration
271	**Union Camp**	**Alexander Calder Jr** (63)	364	—	161	**524**	39	20	Brooklyn, NY	Marketing
176	**Union Carbide**	**William S Sneath** (54)	639	9	25	**674**	29	3	Buffalo, NY	Finance
788	**Union Commerce**	**Lyman H Treadway III** (50)	123	—	—	**123**	10	1	Cleveland, Ohio	Banking
644	**Union Electric**	**Charles J Dougherty** (61)	215	1	4	**220**	39	12	Clayton, Mo	Legal
22	**Union Oil California**	**Fred L Hartley** (63)	746	97	1,074	**1,917**	41	15	Vancouver, Can	Technical
13	**Union Pacific**	**James H Evans** (60)	834	97	1,381	**2,312**	11	2	Lansing, Mich	Administration
527	**Uniroyal**	[48]**David Beretta** (51)	279	25	—	**305**	27	5	Cranston, RI	Technical
643	**United Bank Corp NY**	**Peter D Kiernan** (56)	215	5	—	**220**	6	6	Albany, NY	Insurance
751	**United Banks of Colo**	**N Berne Hart** (50)	111	16	24	**152**	26	1	Denver, Colo	Banking
344	**United Brands**	**Seymour Milstein** (59)	450	3	—	**453**	5	3	New York, NY	Operations
398	**Utd Energy Resources**	**J Hugh Roff Jr** (48)	365	27	14	**406**	6	6	Wewoka, Okla	Legal
653	**United Jersey Banks**	[49]**Edward A Jesser Jr** (63)	211	—	—	**211**	20	17	New York, NY	Banking
753	**United Missouri Bshs**	**R Crosby Kemper** (53)	134	5	11	**150**	30	10	Kansas City, Mo	Administration
521	**U S Bancorp**	**John A Elorriaga** (56)	281	17	13	**310**	29	5	Jordan Valley, Ore	Administration
477	**U S Fidelity & Gty**	**Williford Gragg** (66)	282	59	—	**341**	42	7	Memphis, Tenn	Insurance
153	**United States Gypsum**	**Graham J Morgan** (62)	487	—	226	**713**	40	15	Aurora, Ill	Marketing
233	**U S Home**	**Guy R Odom** (49)	270	41	267	**577**	8	3	Groveton, Tex	Operations
232	**U S Industries**	**I John Billera** (67)	429	90	58	**577**	27	15	New York, NY	Finance
432	**United States Steel**	**David M Roderick** (56)	360	1	14	**376**	21	1	Pittsburgh, Pa	Finance

†For FORBES definitions and methodology see page 116

[46] Succeeded By J. David Bufkin, 4/80.
[47] Succeeded by Robert P. Straetz, 1/1/80.
[48] Succeeded by Joseph P. Flannery, 2/20/80.
[49] Succeeded by Richard L. Wines, 1/1/80.

Who Gets The Most Pay

			Compensation ($000)				Years served			
Rank	Company	Chief executive (Age)	Salary & bonus[†]	Options, rights & benefits[†]	Contingent[†]	Total	with company	as chief	Place of birth	Business background
562	United States Trust	Tom Killefer (63)	278	—	—	278	4	4	Los Angeles, Cal	Finance
63	United Technologies	Harry J Gray (60)	804	34	200	1,037	8	7	Milledgeville, Ga	Administration
459	United Telecom	Paul H Henson (54)	316	9	35	359	21	13	Bennet, Neb	Technical
607	United Va Bankshares	Joseph A Jennings (59)	228	1	19	248	42	3	Richmond, Va	Banking
585	Universal Leaf	Gordon L Crenshaw (58)	182	—	81	263	34	14	Richmond, Va	Sales
468	Upjohn	Ray T Parfet Jr (57)	311	43	—	354	32	18	Port Huron, Mich	Finance
196	USLIFE	Gordon E Crosby Jr (59)	385	138	116	639	21	14	Remsen, Iowa	Sales
797	Utah Power & Light	Harry Blundell (55)	95	—	5	99	31	1	Salt Lake City, Utah	Finance
618	Valero Energy	William E Greehey (44)	227	—	14	241	16	6	Fort Dodge, Iowa	Finance
464	Valley Natl Bk Ariz	Gilbert F Bradley (60)	281	15	60	357	43	4	Miami, Ariz	Administration
682	Va Electric & Power	T Justin Moore Jr (55)	187	—	6	194	20	2	Richmond, Va	Legal
617	Virginia Natl Bshs	[§§]W Wright Harrison (64)	238	—	4	242	38	10	Kingston, NY	Banking
400	Vulcan Materials	W Houston Blount (58)	332	22	52	406	25	1	Union Springs, Ala	Operations
639	Wachovia	John G Medlin Jr (46)	218	2	2	222	21	3	Benson, NC	Banking
743	Wal-Mart Stores	Sam M Walton (62)	150	—	7	157	35	4	Kingfisher, Okla	Founder
634	Waldbaum	Ira Waldbaum (51)	224	—	—	224	33	31	Brooklyn, NY	Administration
595	Walgreen	Charles R Walgreen III (44)	227	2	28	257	28	9	Chicago, Ill	Operations
475	Wang Laboratories	An Wang (60)	267	—	76	343	29	29	China	Founder
2	Warner Commun	Steven J Ross (52)	1,210	2,696	1,199	5,105	18	18	New York, NY	Finance
336	Warner-Lambert	Ward S Hagan (60)	445	13	—	458	10	2	Sioux City, Iowa	Marketing
728	Washington National	Stanley P Hutchison (56)	146	3	16	165	33	4	Joliet, Ill	Legal
107	Waste Management	Dean L Buntrock (49)	336	502	2	840	23	12	Columbia, SD	Founder
328	Wells Fargo	Richard P Cooley (56)	445	6	15	466	30	13	Dallas, Tex	Finance
504	West Point-Pepperell	Joseph L Lanier Jr (48)	270	16	34	321	23	4	Lanett, Ala	Operations
67	Western Air Lines	Dominic P Renda (66)	391	28	595	1,014	34	1	Steubenville, Ohio	Legal
129	Western Bancorp	Joseph J Pinola (55)	350	15	402	767	4	2	Pittston, Pa	Banking
624	Western Financial	Gary H Driggs (45)	225	7	3	235	18	4	Phoenix, Ariz	Banking
636	Western Union	Robert M Flanagan (50)	178	41	3	223	6	1	Springfield, Mass	Finance
120	Westinghouse Elec	Robert E Kirby (61)	542	4	246	792	34	5	Ames, Iowa	Technical
472	Westvaco	David L Luke III (56)	339	8	—	347	28	16	Tyrone, Pa	Finance
662	Wetterau	Ted C Wetterau (52)	197	10	—	207	28	10	St Louis, Mo	Marketing
224	Weyerhaeuser	George H Weyerhaeuser (53)	433	5	156	594	30	14	Seattle, Wash	Production
84	Wheelabrator-Frye	Michael D Dingman (48)	718	44	148	910	10	9	New Haven, Conn	Finance
402	Wheeling-Pitts Steel	Dennis J Carney (59)	355	26	24	405	6	2	Charleroi, Pa	Operations
241	Whirlpool	John H Platts (62)	373	—	191	564	39	8	Detroit, Mich	Sales
220	White Consolidated	Roy H Holdt (59)	469	32	106	606	38	3	Edgewood, Md	Finance
591	White Motor	Cruse W Moss (54)	233[§]	1	23	257	1	1	Kent, Ohio	Operations
727	Whitney Holding	Patrick A Delaney (48)	150	—	15	165	26	3	New Orleans, La	Banking
327	Whittaker	Joseph F Alibrandi (51)	379	77	11	467	9	5	Boston, Mass	Administration
210	Wickes	Emil L McNeely (61)	396	61	165	621	15	9	Pattonsburg, Mo	Marketing
600	Willamette Inds	Gene D Knudson (63)	243	10	—	253	30	6	Washtucna, Wash	Production
229	Williams Companies	Joseph H Williams (47)	340	34	209	583	21	1	Tulsa, Okla	Operations
378	Winn-Dixie Stores	Bert L THOMAS (62)	395	—	33	428	34	14	Malad, Ida	Administration
713	Wisconsin Elec Pwr	Charles S McNeer (54)	164	2	6	172	30	4	Gilbert, W Va	Technical
594	Witco Chemical	William Wishnick (55)	254	3	—	257	30	8	New York, NY	Administration
371	F W Woolworth	Edward F Gibbons (60)	432	—	—	432	6	3	Boston, Mass	Finance
73	Xerox	C Peter McColough (57)	737	74	163	973	25	12	Halifax, Can	Sales
565	Zale	Donald Zale (47)	253	24	—	277	25	9	Wichita Falls, Tex	Marketing
235	Zayre	Maurice Segall (51)	542	30	—	572	2	2	Joliet, Can	Retailing
603	Zenith Radio	Joseph S Wright (69)	250[*]	—	—	250	28	21	Portland, Ore	Legal
613	Zions Utah Bancorp	Roy W Simmons (64)	151	—	94	245	16	11	Portland, Ore	Administration

[†] For FORBES definitions and methodology see page 116.

[§] CEO joined company in 1979; salary data less than full year.

[*] Salary annualized.

[§§] Succeeded by Clifford A. Cutchins III, 1/1/80.

JUNE 23, 1980

TWO DO[illegible]RS

Forbes

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RECYCLING PETRODOLLARS

HOW MUCH MORE CAN THE SYSTEM TAKE?

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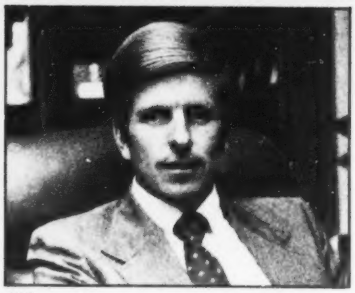
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There's no such thing as a painless recession. Here are 35 companies that are likely to feel pain; and 35 others that probably won't.

Who's hurt, who's not

Statistical Spotlight

In November Forbes published estimated 1980 earnings for a large number of public companies, based on Lynch Jones & Ryan's *Institutional Brokers Estimate System*. But views have changed quite radically in the past six months and literally hundreds of corporate earnings estimates have been scaled downward by analysts. Using the Lynch Jones & Ryan service again, Forbes herewith lists 35 companies whose earnings have been downgraded most by analysts; and 35 others where analysts have *raised* their estimates dramatically. Downgrading is common in savings and loan stocks, autos, auto parts, tires. Upgrading is fairly widespread in silver, copper and energy.

A word of caution: There are frequently wide variations in estimates for the same company by different analysts. The figure given here is an *average* estimate. So don't attribute too much precision to the figures. They are useful nevertheless, past experience showing that they have a reasonably high degree of predictive value. —*Maria Latorraca*

Downward revisions

Earnings estimates for these 35 companies have been revised downward

Company (fiscal year ended)	% decrease in analysts' estimates over six months	Earnings per share average of analysts' estimates 1980*	Earnings per share 1979*	Recent price	Price/earnings ratio based on 1980 estimates	Number of estimates	Industry
Gibraltar Financial (Dec)	95%	$0.11	$2.12	9¾	89	8	Savings & loan
Fidelity Financial (Dec)	92	0.22	2.48	7⅝	35	3	Savings & loan
Hayes-Albion (July)	91	0.14	0.06	7½	54	4	Automotive parts
UAL (Dec)	85	0.43	(2.50)	17⅜	40	14	Airline
Ford (Dec)	82	(0.02)	9.75	25⅛	def	16	Automotive
General Automation (July)	80	0.34	0.45	7	21	3	Computers
Western Air Lines (Dec)	78	0.18	2.99	7⅞	44	11	Airline
Westmoreland Coal (Dec)	77	0.41	0.26	25¾	63	9	Coal
Equitable Savings & Loan (Dec)	77	1.19	4.13	17¼	15	5	Savings & loan
Federal National Mortgage (Dec)	75	0.81	2.81	16	20	7	Finance
Financial Federation (Dec)	74	1.47	5.34	27⅜	19	5	Savings & loan
Eastern Air Lines (Dec)	71	0.31	2.10	8⅞	29	12	Airline
Outboard Marine (Sep)	70	0.57	2.00	11⅛	20	5	Leisure products
First Charter Financial (Dec)	69	1.11	3.05	15½	14	10	Savings & loan
Firestone Tire (Oct)	69	0.47	1.35	7¼	15	8	Tire & rubber
RTE (Dec)	61	0.64	0.94	7¾	12	7	Electrical equipment
Massey-Ferguson (Oct)	60	1.00	(2.38)	8¼	8	3	Agricultural machinery
Great Western Financial (Dec)	57	2.00	4.15	21¼	11	11	Savings & loan
HF Ahmanson (Dec)	57	2.39	5.11	23⅜	10	8	Savings & loan
Financial Corp of Santa Barbara (Dec)	57	1.41	3.14	15½	11	6	Savings & loan
TRANSOHIO Financial (Dec)	56	1.43	3.43	12½	9	3	Savings & loan
Northern California S&L (Dec)	52	1.76	3.40	13	7	6	Savings & loan
California Microwave (June)	52	0.63	1.17	11¾	19	6	Telecommunications
Lamson & Sessions (Dec)	52	1.80	3.03	8¾	5	3	Freight car equipment
Envirotech (Mar)	50	1.02	0.19	8⅜	8	8	Pollution control

*For fiscal years ending June through May of the following year. def-deficit.

Source: Lynch Jones & Ryan, Institutional Brokers Estimate System.

Downward revisions

Company (fiscal year ended)	% decrease in analysts' estimates over six months	Earnings per share		Recent price	Price/earnings ratio based on 1980 estimates	Number of estimates	Industry
		average of analysts' estimates 1980*	1979*				
Schlitz Brewing (Dec)	50%	$0.19	$(1.74)	8⅛	43	13	Brewing
Four-Phase Systems (Dec)	49	1.73	3.29	23¾	14	12	Computers
AM International (July)	48	0.90	1.07	17¾	20	7	Office equipment
General Motors (Dec)	47	3.15	10.04	46	15	16	Automotive
Imperial Corp of America (Dec)	47	2.84	5.24	22¾	8	8	Savings & loan
MCI Communications (Mar)	47	0.41	0.20	7¼	18	4	Communications network
Cordis (June)	46	1.52	2.45	22	15	5	Medical supplies
Memorex (Dec)	44	2.18	3.91	11¼	5	3	Computer equipment
Standard Motor Prod (Dec)	43	1.71	1.80	9¾	6	5	Auto parts
American Quasar Petroleum (Dec)	43	0.45	0.25	28⅞	64	4	Oil & gas production

Upward revisions

Earnings estimates for these 35 companies have been revised upward

Company (fiscal year ended)	% increase in analysts' estimates over six months	Earnings per share		Recent price	Price/earnings ratio based on 1980 estimates	Number of estimates	Industry
		average of analysts' estimates 1980*	1979*				
Hecla Mining (Dec)	235%	$7.78	$3.35	26¼	3	3	Silver
Computer Automation (June)	155	2.13	(2.13)	17¼	8	4	Computers
Kennecott (Dec)	102	6.36	3.93	28⅛	4	15	Integrated copper
LTV (Dec)	101	2.53	5.02	10⅛	4	5	Steel
ASARCO (Dec)	93	11.56	8.56	36	3	10	Nonferrous metals
Texasgulf (Dec)	89	6.64	4.05	38½	6	6	Nonferrous metals
Inco (Dec)	87	3.89	1.58	22½	6	14	Nonferrous metals
Newmont Mining (Dec)	86	9.00	7.05	38¼	4	16	Copper mining
Phelps Dodge (Dec)	77	7.05	5.06	31	4	15	Integrated copper
Global Marine (Dec)	71	5.52	4.21	53¾	10	8	Offshore drilling
Earth Resources (Aug)	60	5.63	3.05	27¾	5	4	Oil
Sabine (Dec)	53	2.43	2.19	62	26	6	Oil & gas development
Mitchell Energy & Devel (Jan)	53	2.25	1.70	29½	13	9	Oil & gas production
Ocean Drilling & Explor (Dec)	50	8.42	4.20	111¼	13	10	Offshore drilling
Reading & Bates (Dec)	50	3.98	3.06	39⅝	10	7	Offshore drilling
PSA (Dec)	50	6.63	5.06	23⅛	4	4	Airline
Engelhard Minerals & Chem (Dec)	50	6.35	5.32	30½	5	10	Metals
Cannon Mills (Dec)	47	4.77	4.06	22½	5	3	Textiles
Rowan Cos (Dec)	42	4.51	2.67	50⅞	11	6	Offshore drilling
TRE (July)	41	3.09	2.10	23⅜	8	3	Aerospace
Berkey Photo (Dec)	40	1.03	0.53	3⅛	3	3	Photography
Mary Kay Cosmetics (Dec)	39	3.54	2.62	38¾	11	4	Cosmetics
Royster (June)	39	1.97	0.40	15¼	8	4	Fertilizer
Husky Oil Ltd (Dec)	38	1.18	1.20	12⅝	11	3	Oil
IU International (Dec)	38	2.52	1.91	15⅞	6	4	Utility; transportation
Alexander & Baldwin (Dec)	37	4.57	3.76	29½	7	6	Cane sugar
St Joe Minerals (Dec)	36	5.52	3.46	47½	9	13	Nonferrous metals
Alcan Aluminum (Dec)	36	5.54	5.02	28½	5	19	Aluminum
Union Carbide (Dec)	34	9.59	8.47	43	5	19	Chemicals
Pennzoil (Dec)	34	6.72	4.69	39⅝	6	9	Oil
Zapata (Sept)	32	3.61	2.27	33	9	7	Offshore drilling
Anixter Brothers (July)	32	3.63	2.60	30	8	6	Electrical equipment
Dorchester Gas (Aug)	32	3.96	2.84	29⅞	8	5	Natural gas production
Pioneer Corp (Dec)	31	4.61	3.57	43	9	7	Oil & gas
VF Corp (Dec)	31	4.55	3.90	23	5	6	Apparel

*For fiscal years ending June through May of the following year.

Source: Lynch Jones & Ryan, Institutional Brokers Estimate System.

Statistical Spotlight

General Motors bit the bullet. The market has already decided Ford can't be far behind.

More dividend cuts on the way

General Motors slashed its quarterly dividend to 60 cents. General Motors is in much better shape than its domestic counterparts. Chrysler eliminated its dividend in 1979. The market has already recognized that the current Ford dividend of $1.00 per quarter is unsustainable. That's why Ford, at its recent price, is yielding close to 16%.

Other auto-related industries where dividend cuts seem likely are auto parts, and tire and rubber. The slump in the housing industry has jeopardized the dividends of a number of companies involved in building, mobile homes and home appliances.

A number of banking institutions also appear on our imperiled payout list. Most of these banks have come under severe pressure because of one or more of the following: paper losses on bond portfolios, disintermediation and large long-term commitments at low interest rates. It is possible that recent developments—the drop in interest rates and the uptick in the bond markets—will spare many or all of these banks the pain of a dividend cut; banks more than industrial companies hate to cut their dividends.

Analysts are scrambling to update their earlier earnings estimates for 1980 *(see p. 67)*. In retrospect, many of the original estimates were overly optimistic. Retailing, too, could be hard hit by this consumer-led recession. If the first-quarter earnings just being released signify a trend, dividend cuts are also likely here.

The companies below are vulnerable to dividend reductions. Most of them either are paying out 50% or more of earnings—an abnormally high amount—or have a record of cutting dividends previously this past decade. Sometimes both.

A good many companies, of course, will be able to maintain their payout, and quite a few will be able to increase it. But after several consecutive years of rising dividends, the crop will be very mixed this year.—*Steve Kichen*

Imperiled payouts?

Company	Indicated 1980 dividend	Dividend as % of latest 12 months' earnings	Earnings per share 1979	Earnings per share latest 12 months	Stock price recent	Stock price 52-week range	Current yield	Most recent dividend cut (1970-80)	Industry
Akzona	$0.80	45%	$2.10	$1.77	11⅝	17½– 7¾	6.9%	1977	Chemical
AM International	0.28	NM	1.07	(0.27)	17⅝	20 –12½	1.6	1974	Office equipment
American Motors	0.30	24	2.24	1.23	5½	9½– 4⅝	5.5	1975	Automotive
Arkansas Best	0.60	120	(0.21)	0.50	7⅜	11½– 6⅞	8.1	1975	Trucking
Arvin Industries	1.12	56	2.88	2.00	10¾	15¾– 9¾	10.4	1975	Auto parts
Bird & Son	1.60	63	2.72	2.53	17½	24½–15	9.1	—	Building
Bormans	0.20	125	0.16	0.16	3⅜	6¼– 2⅞	5.9	1971	Grocery
CertainTeed	0.90	80	1.30	1.13	14¼	19⅛–11⅜	6.3	—	Building materials
Collins & Aikman	0.72	55	1.32	1.32	7½	10⅞– 6¼	9.6	1975	Textile
Federal National Mortgage	1.28	51	2.81	2.52	16⅞	19⅜–11⅞	7.6	—	Finance
Fin Corp of Santa Barbara	1.00	35	3.14	2.87	15½	19½–10¼	6.5	1972	Savings & loan
Financial Federation	1.40	28	5.34	4.93	27	40¾–20¾	5.2	—	Savings & loan
Firestone Tire	0.60	NM	1.35	(1.11)	7	13½– 6⅛	8.6	1979	Tire & rubber
First Chicago Corp	1.20	47	2.91	2.53	14⅛	19¾–10¾	8.5	—	Bank
Fleetwood Enterprises	0.52	400	2.01	0.13	6⅞	10⅜– 5⅛	7.6	—	Mobile homes
Ford Motor	4.00	117	9.75	3.42	25¼	44⅜–21⅛	15.8	1975	Automotive
General Tire	1.50	61	3.44	2.44	17	26⅞–12¼	8.8	—	Tire & rubber
Goodyear	1.30	66	2.02	1.98	12¼	17⅜–10¾	10.6	—	Tire & rubber
International Harvester	2.50	214	12.01	1.17	26⅝	45½–23	9.4	1971	Trucks/farm equip
IPCO	0.12	41	0.32	0.29	4¾	6⅜– 3½	2.5	1972	Health care
Libbey-Owens-Ford	2.35	61	4.80	3.88	20½	28⅞–19¾	11.5	1975	Auto parts
Lukens Steel	0.80	73	1.44	1.09	12⅝	17¼–10¾	6.3	1980	Steel
McLean Trucking	0.64	NM	1.44	(0.83)	8⅝	16½– 7½	7.4	—	Trucking
Mohawk Rubber	1.20	126	1.62	0.95	10¼	14⅜– 9¾	11.7	—	Tire & rubber
Norlin	1.60	45	5.21	3.56	17⅞	25¾–17	9.0	1971	Multicompany
Ranco	0.84	38	2.57	2.24	13	23 –12½	6.5	1976	Home appliances
Raybestos Manhattan	1.60	89	2.24	1.80	17⅞	32¼–15	9.0	1971	Auto parts
RTE	0.60	97	0.94	0.62	8	11⅝– 6¼	7.5	1971	Electrical equip
Skyline	0.48	59	1.21	0.82	12⅛	13¼– 8½	4.0	—	Mobile homes
Valley Industries	0.40	121	0.53	0.33	6⅝	9½– 5¼	6.0	—	Steel
Western Air Lines	0.40	30	2.99	1.34	7½	12 – 6	5.3	1976	Airline
Zimmer Homes	0.36	150	1.19	0.24	6¾	10⅞– 4⅛	5.3	1975	Mobile homes

NM: Not meaningful.

Is the big, privately owned company a relic of the past? If it is, nobody bothered to tell the owners of these giant outfits.

Private lives

THERE ARE MORE rugged individualists in America than most people realize. No fewer than 28 companies with $1 billion or more in sales remain stubbornly private. The largest, Cargill, the Minneapolis grain wholesaler, had 1979 revenues of $12.7 billion. Bechtel, the San Francisco construction company, maintains its private ownership even though its revenues are approaching $7 billion. Koch Industries, the Wichita oil company, remains private with $3.8 billion in revenues. If a recent takeover offer from the privately owned investment company Tamco Enterprises succeeds, City Investing Co., a $7 billion insurance, manufacturing and home-building conglomerate, will join the private ranks.

Some of the U.S.' most familiar products—Johnson's Wax, Hallmark cards, Mars bars, *Reader's Digest* and the Chicago *Tribune*—are all turned out by private companies. What *keeps* them private? Says Charles C. Gates, chairman of the $962 million (revenues) family-owned Gates Rubber Co., "In public companies investors measure investment value in terms of earnings and dividends. Private investors are first concerned with the endurance of the enterprise."

Thanks to the increasing paperwork required of public companies and the publicity-garnering attacks on executive perks by SEC zealot Stanley Sporkin, some huge companies that went public want to go private again.

Low price/earnings multiples for public companies remove a major reason for private companies going public. In 1972, at the height of the go-go period, a record 491 companies went public and eager buyers often didn't even know what a company made. In contrast, only 100 or so will cross the line this year. However, for every private company that goes public, any number of other private companies will take its place. Don't forget that while most big companies are public, 45% of all U.S. sales are generated by privately owned businesses, according to Economic Information Systems, one of the few firms that keep tabs on private business activities. Are we in an era of faceless corporate enterprise? Maybe, but nobody seems to have told the owners of the companies listed below.

The 50 largest private companies in the U.S.

The list below is based on data compiled by Economic Information Systems, supplemented by additional reporting and checking by FORBES. Omitted from the compilation are privately owned financial companies and all foreign-owned companies and cooperatives. In most cases the revenue figures given are estimates; most companies refused to divulge exact sales figures and many declined even to confirm our estimates.

Company	Location	Industry	1979 estimated revenues (millions)
Cargill	Minneapolis, Minn	Grain wholesaling	$12,711
Mocatta Metals	New York, NY	Bullion dealers	12,000
Continental Grain	New York, NY	Grain wholesaling	7,768
Bechtel Group	San Francisco, Calif	Engineering services	6,800*
Koch Industries	Wichita, Kan	Crude oil	3,800
Ingram	New Orleans, La	Petroleum marketing	3,500
United Parcel Service	New York, NY	Package delivery	3,359
Ken Davis Industries	Ft Worth, Tex	Multi-industry	2,000
Hughes Aircraft	Culver City, Calif	Aerospace products	2,000
Publix Super Markets†	Lakeland, Fla	Food retailing	1,933
Garnac Grain	New York, NY	Grain exporting	1,700
Louis Dreyfus	Stamford, Conn	Grain exporting	1,500+
The Austin Co	Cleveland, Ohio	Engineering services	1,500††
Mars	McLean, Va	Candy	1,400
Dubuque Packing	Dubuque, Iowa	Meat packing	1,400
Carlson Companies	Minneapolis, Minn	Trading stamps, hotels	1,400
City Title Insurance	New York, NY	Title insurance	1,372
Summa	Las Vegas, Nev	Hotels, casinos	1,343
Milliken & Co	New York, NY	Textiles	1,341
SI Newhouse Advance Publishing	Staten Island, NY	Publishing	1,200
SC Johnson & Sons	Racine, Wis	Polishes	1,200
Stephens	Little Rock, Ark	Department stores	1,196
Peabody Coal	St Louis, Mo	Coal	1,132
Tribune Co	Chicago, Ill	Communications	1,115
Peter Kiewit & Sons	Omaha, Neb	Heavy construction	1,034
Farr Man	New York, NY	Commodity trading	1,000
Reader's Digest Association	Pleasantville, NY	Periodicals	1,000
Belk Brothers	Charlotte, NC	Department stores	1,000**
Gates Rubber	Denver, Colo	Rubber products	962
Mobay Chemical	Pittsburgh, Penna	Chemicals	955
Scurlock Oil	Houston, Tex	Petroleum wholesaling	905
HE Butt Grocery	Corpus Christi, Tex	Groceries	900
Hallmark Cards	Kansas City, Mo	Greeting cards	850
Topco Associated	Skokie, Ill	Retail groceries	802
Guy F Atkinson	San Francisco, Calif	Engineering services	798
Peat, Marwick‡	New York, NY	Accounting	775‡‡
The Andersons	Maumee, Ohio	Agricultural commodities	774
Greenwich Mills	Secaucus, NJ	Coffee	759
Hunt Oil	Dallas, Tex	Oil/gas production/refining	745
Roseburg Lumber	Roseburg, Ore	Softwood, veneers	719
Coopers & Lybrand‡	New York, NY	Accounting	711
Spartan Stores	Grand Rapids, Mich	Grocery wholesaling	702
Meijer	Grand Rapids, Mich	Grocery stores	695
Hy-Vee Food Stores	Chariton, Iowa	Groceries	683
Arthur Young‡	New York, NY	Accounting	650
Arthur Andersen‡	Chicago, Ill	Accounting	645
Price Waterhouse‡	New York, NY	Accounting	635
Southwire	Carrollton, Ga	Electrical wire	632
American Securities	New York, NY	Securities	624
Amway	Ada, Mich.	Cleaning products	600+

*Revenue work off. †Employee-owned. ††*Engineering News-Record.* ****Chain Store Age.** ‡Partnership. ‡‡Estimate for June 30, 1980.

Special Report

The 100 largest U.S. multinationals

The 100 largest foreign investors

The 100 largest foreign companies

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JULY 7, 1980

TWO DOLLARS

Forbes

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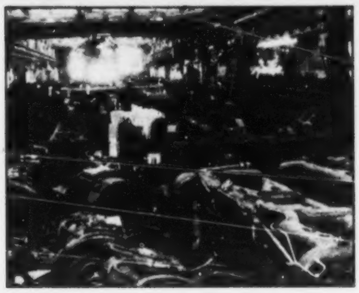

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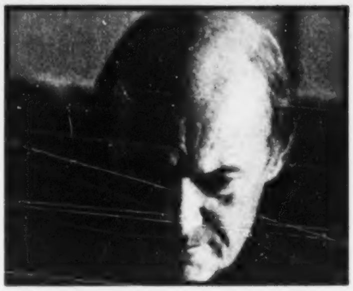

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Special Report
Spotlight on International Business

New targets and familiar faces

This year's roundup of the 100 largest foreign investors in the U.S. has a new leader, Anglo American Corp. of South Africa. It beat out Royal Dutch/Shell by controlling about $19.2 billion in sales primarily through its stake in booming Engelhard Minerals & Chemicals. Also new to the top 100 list are 12 banking and finance and insurance companies, the largest being Hongkong & Shanghai Banking Corp., which owns 41% of $1.4 billion (revenues) Marine Midland Banks. Another newcomer is 18th-ranked Volkswagenwerk of West Germany, which last year manufactured some $1.1 billion worth of cars in the U.S.

Among the most popular acquisition targets of foreign buyers in 1979 were companies in food-related businesses. Delhaize-Le Lion of Belgium, which already controls supermarketer Food Town Stores, bought another chain, $436 million Alterman Foods. The Netherlands' Ahold acquired a retailer as well, $547 million Bi-Lo. But it was corporations from the U.K. that led the way. Dalgety and Northern Foods bought distribution, processing and meatpacking concerns whose total volume was around $1.5 billion. Imperial Group now owns the $578 million Howard Johnson restaurant chain. Conglomerate Grand Metropolitan Ltd., which is into everything from hotels to dairy products, recently acquired the nearly $1 billion Liggett Group, whose interests range from liquor to pet food.

The 100 largest foreign investments in the U.S.

Foreign investor	Country	U.S. company	% owned	Industries	Revenues (millions)	Net income (millions)	Assets (millions)
1. Anglo American Corp of So Africa Ltd[1]	So Africa	Engelhard Min & Chem[1]	29[3]	industrial materials	$18,080	$ 349.7	$ 5,800
		Inspiration Consol Copper	50[3]	copper	137	7.4	163
		Terra Chemicals Intl[1]	51[3]	fertilizer	254	2.7	138
		AMCON Group	100[3]	mining exploration, steel, scrap	463	–5.3	283
		ARC America Corp	100[3]	construction materials	186	NA	106
		SKYTOP Brewster Rig	100[3]	oil rig mfg	60[2]	–3.0[2]	73[2]
		King Oil Tools	100[3]	oilfield equip	5[2]	1.2[2]	5[2]
		Mechanical Seal & Serv	100[3]	oilfield equip	3[2]	0.5[2]	2[2]
					19,188		
2. Royal Dutch/Shell Group[1]	Netherlands UK	Shell Oil[1]	69	oil	14,431	1,126.0	16,127
		Scallop Holding	100	oil, coal	2,028	NA	239
					16,459		
3. British Petroleum Ltd[1]	UK	Standard Oil Ohio	53	energy	7,916	1,186.1	9,209
4. Tengelmann Group	Germany	Great A&P Tea[1]	47	supermarkets	6,684	–3.8	1,230
5. Friedrich Flick Group	Germany	WR Grace[1]	27	chemicals, consumer products	5,267	222.6	3,729
		US Filter[1]	35	pollution control, chem	612	22.5	820
					5,879		
6. B.A.T Industries Ltd[1]	UK	BATUS	100	paper, retailing, tobacco	4,200[2]	NA	NA
		Germaine Monteil	NA	cosmetics			
7. Générale Occidentale SA	France	Grand Union	100[3]	supermarkets	3,100	30.7	707
		J Weingarten	100[3]	supermarkets	566	1.4	105
					3,666		
8. Beneficiaries of US Philips Trust	Netherlands	North American Philips[1]	62[3]	electronics	2,409	81.7	1,290
9. Nestlé SA	Switzerland	Nestlé Co	100	food	1,400[2]	NA	NA
		Libby, McNeill & Libby	100	food	1,000[2]	NA	NA
		Stouffer Corp	100	food, restaurants			
		Alcon Laboratories	100	pharmaceuticals			
		Beech-Nut Corp	100	baby foods			
					2,400		
10. Unilever NV[1]	Netherlands	Lever Brothers	100	consumer goods	952	– 6.8	412
		Thomas J Lipton	100	food	698	38.5	407
		Natl Starch & Chemical	100	chemicals, starch	475	32.0	342
					2,125		

[1] Publicly traded in U.S. [2] Estimate [3] Indirect ownership. [4] Under formation. [5] Includes results of Tappan for full year. [6] 1978 sales [7] Nine months [8] Includes results of American credit for full year. NA: Not available.

The 100 largest foreign investments in the U.S.

Foreign investor	Country	U.S. company	% owned	Industries	Revenues (millions)	Net income (millions)	Assets (millions)
11. Bayer AG[1]	Germany	Mobay Chemical	100	chemicals	$ 955	$58.0	$ 917
		Miles Laboratories	100	health care	595	2.0	561
		Cutter Laboratories	100	health care	304	6.0	321
					1,854		
12. Schlumberger NV[1]	Netherlands Antilles	Schlumberger Technology	100	oilfield services	1,110[2]	NA	1,380[2]
		Fairchild Camera	100	semiconductor	670[2]	NA	
					1,780[2]		
13. Pechiney Ugine Kuhlmann	France	Pechiney Ugine Kuhlmann Corp	100	aluminum, trading, engine parts	1,769	96.4	772
14. Canadian Pacific Ltd[1]	Canada	Soo Line Railroad[1]	56	railroad	299	27.6	448
		Canadian Pacific Enterprises (US Operations)	100	steel products	1,315	NA	NA
					1,614		
15. Imperial Chemical Industries Ltd[1]	UK	ICI Americas	100	chemicals	708	NA	NA
		Fiber Industries	38	man-made fibers	881	NA	506
					1,589		
16. Petrofina SA	Belgium	American Petrofina Inc[1]	69	petroleum	1,587	83.2	1,080
17. Inco Ltd[1]	Canada	Inco ElectroEnergy	100	batteries, elec motors	842	NA	659
		International Nickel	100	primary metals	386	NA	82
		Huntington Alloys	100	metal products	267	NA	406
		Other Companies	100	various	38	NA	50
					1,533		
18. Volkswagenwerk AG[1]	Germany	Volkswagen of America	100	auto, auto parts, real estate	1,100[2]	NA	1,000[2]
		Triumph-Adler	100[3]	business machines, information systems	420[2]	13.0[2]	NA
					1,520[2]		
19. Thyssen AG[1]	Germany	Budd	100	automotive parts	1,519	NA	NA
20. BASF AG[1]	Germany	BASF Wyandotte	100	chemicals	1,103	9.7	801
		Badische Corp	100	chemicals	398	15.5	283
					1,501		
21. George Weston Ltd	Canada	National Tea	84[3]	supermarkets	1,046	8.0	251
		Applebaum's Food Mkts	100[3]	supermarkets			
		Peter J Schmitt	100[3]	wholesale food	317	NA	NA
		Interbake Foods	100[3]	biscuits	NA	NA	NA
		Stroehmann Brothers	100[3]	bakery	119	NA	NA
					1,482		
22. Hongkong & Shanghai Banking Corp[1]	Hong Kong	Marine Midland Banks[1]	41	banking	1,412	39.8	15,728
23. Seagram Co Ltd[1]	Canada	Joseph E Seagram & Sons	100	liquors, wines, oil, gas	1,375	118.0	1,934
24. Ciba-Geigy Ltd	Switzerland	Ciba-Geigy	100	chemicals, drugs, consumer goods	1,300[2]	NA	1,200[2]
25. Alusuisse	Switzerland	Consolidated Aluminum	60	aluminum	825	4.1	515
		Maremont Corp	100	automotive parts	400[2]	NA	NA
					1,225[2]		
26. Dalgety Ltd	UK	Dalgety Foods	100	food processing	1,200[2]	NA	200[2]
		Martin-Brower Co	100	food distribution			
		Pig Improvement Co	100	pig breeding			
		Modern Maid Food	100	food processing			
27. Hoechst AG[1]	Germany	American Hoechst	100	chemicals	1,174	30.0	1,061
28. Alcan Aluminium Ltd[1]	Canada	Alcan Aluminum Corp	100	aluminum	1,135	48.0	475
29. Hanson Trust Ltd[1]	UK	Hygrade Food Products	100	meat processing	582	10.8	NA
		Carisbrook Industries	100	specialty textiles	154	10.4	NA
		American Farm Products	100	fishing, agric prod	54	12.3	NA
		Interstate United	100	food service mgmt	332	11.0	NA
					1,122		
30. Genstar[1]	Canada	Flintkote	100	building materials	869	45.3	607
		Fincl Services (7 cos)	100	financial services	26[2]	13.7[2]	162[2]
		Hsg & Land Dev (10 cos)	100	housing & land dev	210[2]	10.0[2]	340[2]
					1,105		
31. Canada Development Corp	Canada	Texasgulf[1]	34	mining, chemicals	789	136.9	1,648
		Polysar	100	resins, latex	285	NA	NA
					1,074		
32. Royal Ins Co Ltd	UK	Royal Group	100	insurance	1,022	52.3	1,861
33. Akzo NV	Netherlands	Akzona[1]	66	chemicals, fibers	1,012	25.6	818
34. Moore Corp Ltd[1]	Canada	Moore Business Forms	100	business forms	982	NA	NA
		FN Burt	100	packaging			

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The 100 largest foreign investments in the U.S.

Foreign investor	Country	U.S. company	% owned	Industries	Revenues (millions)	Net income (millions)	Assets (millions)
35. Hugo Mann	Germany	Fed-Mart[1]	88	department stores	$975	$-11.1	$321
36. Grand Metropolitan[1]	UK	Liggett Group	89	tobacco, liquor	946	53.9	750
37. Rhône-Poulenc SA	France	Morton-Norwich Products[1]	21	salt, food, chemicals	732	46.1	587
		Rhône-Poulenc Inc	100	chemicals, phototypesetting	184	NA	139
					916		
37. Saint-Gobain-Pont-à-Mousson[1]	France	CertainTeed[1]	55	building supplies	916	22.2	720
39. BOC International[1]	UK	Airco	100	industrial gases	911	67.6	879
40. Massey-Ferguson Ltd[1]	Canada	Massey-Ferguson Inc	100	machinery	901	NA	701
41. Cie Française des Pétroles	France	Total Petroleum	100[3]	oil	888	21.0	433[2]
42. Mitsui & Co Ltd[1]	Japan	Alumax	45	aluminum	873	97.0	894
43. Delhaize-Le Lion SA	Belgium	Food Town Stores[1]	52	supermarkets	416	13.2	86
		Alterman Foods	100	supermarkets	436	4.2	89
					852		
44. F Hoffmann-La Roche	Switzerland	Hoffman-La Roche Inc	100	chemicals	850[2]	NA	NA
45. Bowater Corp Ltd[1]	UK	Bowater North America	100	pulp & paper	813	NA	NA
46. Telefonaktiebolaget LM Ericsson	Sweden	Anaconda-Ericsson[4]	50	telecommunication equip	800[2]	NA	NA
47. Bell Canada[1]	Canada	Intersil[1]	22	semiconductors	139	10.3	83
		Northern Telecom Sys Northern Telecom Inc	100[3]	telecommunications	640	NA	NA
					779		
48. Matsushita Electric Industrial Co Ltd[1]	Japan	Matsushita Electric Corp of America	100	electric, electronics	750[2]	NA	NA
48. Sony Corp[1]	Japan	Sony Corp of America	100	consumer electronics	750[2]	NA	500[2]
50. Siemens AG[1]	Germany	Siemens Corp	100	medical equip, electronics, cable, semiconductors	520[2]	NA	NA
		Advanced Micro Devices[1]	20	semiconductors	226	23.3	165
					746		
51. Thyssen-Bornemisza NV	Netherlands	Indian Head	100	diversified mfr	720[2]	NA	NA
52. Davy Corp Ltd	UK	Davy Inc	100	hvy constr & engineering	700	NA	220
53. Fiat SpA[1]	Italy	Fiat-Allis	80	construction equip	410	-37.8	258
		Bentley Laboratories[1]	39	medical devices	42	3.3	37
		Hesston[1]	50	agricultural equip	229	5.9	154
					681		
54. AB Electrolux	Sweden	Dometic Inc	100	appliances	675[2,5]	12.6	417
55. Husky Oil Ltd[1]	Canada	Husky Oil Co	100	petroleum	667	18.4	527
		Gate City Steel	100	steel			
		Husky Industries	90	charcoal			
56. General Accident Fire & Life Ltd	Scotland	General Accident Fire & Life Potomac Insurance Penn General Insurance Camden Fire Insurance	100	insurance	653	85.0	1,408
57. Thomas Tilling Ltd	UK	Thomas Tilling	100	energy, medical supplies, electrical prod, other	651	29.0	422
58. 6 European Banks	6 countries	European Amer Bancorp	100	banking	628	21.0	7,766
59. Babcock Intl Ltd[1]	UK	Babcock International Inc	100	diversified mfr, engineered products	615	46.0	513
60. Hoesch AG	Germany	Envirotech[1]	26	pollution control	557	6.8	350
Hoogovens	Netherlands	Beckley Coal Mining	25	coal	51	9.3	58
					608		
61. Sandoz Ltd	Switzerland	Sandoz US	100	food, drugs, seeds, chemicals	588	6.7	488
62. Beecham Group Ltd[1]	UK	Beecham Inc	100	drugs, consumer prod	580	NA	500
63. Imperial Group Ltd[1]	UK	Howard Johnson	100	restaurants	578	34.3	486
64. Bank of Tokyo Ltd[1]	Japan	Bank of Tokyo Trust	100	banking	264	13.7	3,367
		California First Bank[1]	74	banking	311	20.2	3,265
					575		

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The 100 largest foreign investments in the U.S.

Foreign investor	Country	U.S. company	% owned	Industries	Revenues (millions)	Net income (millions)	Assets (millions)
65. Northern Foods Ltd	UK	Bluebird	100	meatpacker	$573	$9.1	$ 97
66. Ivaco Ltd	Canada	Laclede Steel[1]	20	steel	235	–0.1	139
		Atlantic Steel	100	steel	335	NA	NA
		Natl Wire Products	60	steel			
		NY Wire Mills	100	steel			
		Niagara Lockport Inds	100	steel, machinery belts			
					570		
67. Standard Chartered Bank Group	UK	Union Bank	100	banking	567	34.1	6,563
68. Noranda Mines Ltd	Canada	Noranda Aluminum	100	aluminum	558	28.2	451
		Norandex	100	aluminum fabricating			
		Norandal	100	aluminum fabricating			
		Fraser Paper	65	paper mfr			
69. Agache-Willot Group	France	Korvettes	100	retailing	550	NA	NA
70. Ahold NV[1]	Netherlands	Bi-Lo	100	food retailing	547	6.1	97
71. Franz Haniel & Cie	Germany	Scrivner	100	wholesale/retail foods, dept stores	547	6.4	76
72. United Biscuits Ltd	UK	Keebler	100	baked goods	487	NA	NA
		Specialty Brands	90	spices, seasonings	24	NA	NA
					511		
73. Rio Tinto-Zinc Ltd[1]	UK	US Borax & Chemical	100	chemicals	325[2]	NA	NA
		Indal	100[3]	building products	184	7.7[2]	120
					509		
74. Olsen, Lehmkuhl Families	Norway	Timex	100	watches	500[2]	0.2[2]	NA
75. Imetal	France	Copperweld[1]	66	steel, copper fabrication	493	23.1	313
76. Nationale-Netherlanden NV	Netherlands	Life Insurance Co of Georgia	100	insurance	268	29.1	1,018
		Peerless Insurance	81	insurance	108	8.8	164
		Security Life Insurance	89	insurance	58	6.3	229
		Midwest United Life	86	insurance	27	3.8	209
		Wisconsin National Life	100	insurance	29	3.7	127
					490		
77. MacMillan Bloedel Ltd[1]	Canada	MacMillan Bloedel Inc	100	forest products	476	NA	NA
		Atlantic Forest Products	100	forest products	NA	NA	NA
					476		
78. General Electric Ltd[1]	UK	AB Dick	100	office equipment	361[6]	NA	NA
		Alco Power	100	diesel engines	100[2]	NA	NA
					461[2]		
79. Willy Korf Govt of Kuwait	Germany Kuwait	Korf Industries	70[3] 30	steel, technology	457	24.5	374
80. National Westminster Bank Ltd	UK	Natl Bank of N Amer	100	banking	438	17.0	4,849
81. Elf Aquitaine Group	France	Elf Aquitaine Inc	100	chemicals, oil, gas	270	NA	230
		Rilsan	50[3]	heavy chem, engineering, plastics	80	NA	50
		Al-Aquitaine	75[3]	oil, gas, coal	40	NA	130
		Sanofi	100	drugs, animal health	30	NA	NA
					420		
82. Imasco Ltd	Canada	Hardee's Food Systems[1]	47	restaurants	356	11.0	191
		Tinder Box Intl	100	specialty stores	40[2]	NA	NA
		Shoppers Drug Mart	100[3]	specialty stores	17	NA	NA
					413		
83. Financière Crédit Suisse-First Boston	Switzerland	First Boston[1]	24	investment banking	410	17.2	4,891
84. Trade Development Bank Holding	Luxembourg	Republic NY Corp[1]	65	banking	401	31.6	4,408
85. Allianz Versicherungs AG	Germany	Allianz of America Inc	52	insurance	299	NA	NA
		Munich American Reassurance	45	life insurance	12	0.6	32
		Munich American Reinsurance	45	property & casualty	87	2.8	223
					398		
86. L'Air Liquide[1]	France	Liquid Air Corp of NA[1]	79	industrial gases	369	24.7	417
87. AB SKF	Sweden	SKF Industries	96	ball & roller bearings	366[2]	11.0[2]	253[2]

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The 100 largest foreign investments in the U.S.

Foreign investor	Country	U.S. company	% owned	Industries	Revenues (millions)	Net income (millions)	Assets (millions)
88. Hawker Siddeley Group Ltd[1]	UK	Onan	37	engines, generators	$209	$9.0	$148
		Lister Diesels	100	engines	15	NA	10
		KW Battery	100[3]	batteries	14	0.4	7
		Corinth Machinery	100[3]	sawmill equipment	12	0.2	6
		FASCO	100	electrical equipment	113	8.6	58
					363		
89. Henkel KGaA	Germany	Henkel Corp	100	specialty chemicals	350[2]	NA	NA
90. Solvay & Cie SA	Belgium	Soltex Polymer	100	chemicals	200[2]	NA	NA
		Salisbury Laboratories	100	animal health	75[2]	NA	NA
		Hedwin	100	plastics processing	30[2]	NA	NA
		Interox America	50	peroxygen chemicals	20[2]	NA	NA
		Kali Pharma	100	drugs	20[2]	NA	NA
					345[2]		
91. COPERSUCAR	Brazil	Hills Bros Coffee	100	coffee	330[2]	NA	NA
92. BBC Brown, Boveri & Cie	Switzerland	BBC Brown, Boveri Co	100	mechanical & electric power equipment	325[2]	NA	NA
93. Dunlop Holdings Ltd[1]	UK	Dunlop Tire & Rubber	100	tires, sports equip	322[2]	NA	NA
94. Fujitsu Ltd[1]	Japan	Amdahl[1]	27	computers	300	17.1	286
94. IFI International SA	Luxembourg	Moog Automotive	100	automotive parts	300[2]	NA	NA
		Chicago Rawhide	100	automotive parts			
		River Cement	40	cement			
94. Portland Zementwerke Heidelberg AG	Germany	Lehigh Portland Cement	100	cement, furniture	150[2]	NA	NA
		Universal Atlas Cement	100	cement	150[2]	NA	NA
					300[2]		
97. Empain-Schneider	France	Ag-Met[1]	34	reclamation metals	134[7]	1.7[7]	176
		Phoenix Steel[1]	56	steel	161	2.0	138
					295		
98. DSM	Netherlands	Nipro	100	chemicals, fertilizers	275[2]	NA	NA
99. Canadian Natl Rwys	Canada	Grand Trunk Corp	100	railroad	267	16.2	415
100. AGO Holding NV	Netherlands	Life Investors[1]	27	insurance	265	16.1	651

And the 25 runners-up

Foreign investor	Country	U.S. company	% owned	Industries	Revenues (millions)	Net income (millions)	Assets (millions)
101. Ghaith Pharaon	Saudi Arabia	Sam P Wallace[1]	65[3]	construction	$257	$ 2.0	$ 81
102. Robert Bosch GmbH	Germany	Robert Bosch	100	electronics	250	NA	245
102. Cadbury Schweppes Ltd[1]	UK	Cadbury Schweppes USA	100	confectionary, food, beverages	250	12.0	NA
102. Gardinier Family	France	Gardinier Big River	100	agricultural chemicals	250[2]	NA	NA
105. Lloyds Bank Group	UK	Lloyds Bank Calif	100	banking	241	15.0	2,473
106. Wellcome Fdtn Ltd	UK	Burroughs Wellcome	100	drugs	238[2]	NA	NA
107. Reed Intl Ltd[1]	UK	Reed Holdings	100	paper, publishing	231	NA	120
108. IngC Olivetti & C SpA	Italy	Olivetti Corp	100	office equipment	228	–9.5	172
109. Cominco Ltd[1]	Canada	Cominco American Inc	100	fertilizers, lead	210	25.0	133
		Hawaiian Western Steel	51	steel	16	1.0	6
					226		
110. Oerlikon-Bührle Holdings AG	Switzerland	Motch & Merryweather	100	machine tools	150[2]	NA	NA
		Contraves Goerz Corp	100	electronics & optical equipment	45[2]	NA	NA
		Balzers	100	vacuum equipment	12[2]	NA	NA
					207		
111. Molson Cos Ltd	Canada	Diversey	100	chemicals	206	NA	NA
112. Holderbank Financière Glarus	Switzerland	Dundee Cement	67	cement	175[2]	NA	175[2]
		Independent Cement	100[3]	cement	30[2]	NA	NA
					205[2]		
113. BrenninkmeyerFamily	Netherlands	Ohrbach's Maurices The Lodge	100[3]	apparel specialty stores	200[2]	NA	NA
113. Coats Patons Ltd[1]	UK	Coats & Clark Inc	100	textiles	200[2]	NA	137
113. Reckitt & Colman Ltd	UK	Reckitt & Colman (NA)	100	food	200[2]	NA	NA
113. Thorn EMI Ltd[1]	UK	Capitol Ind–EMI	100	records	200[2]	NA	NA
117. The Plessey Co Ltd[1]	UK	Plessey North America	100	electronics, metals	199	6.0	138
118. Thomson Newspapers Ltd	Canada	Thomson Newspapers Inc	100	newspapers	198	38.0	288

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And the 25 runners-up

Foreign investor	Country	U.S. company	% owned	Industries	Revenues (millions)	Net income (millions)	Assets (millions)
119. Schering AG	Germany	Sherex Chemical	100	industrial chemicals	$121	NA	$78
		Nepera Chemical	100	basic chemicals	35	NA	33
		Nor-Am Agric Products	100	agro-chemicals	20	NA	18
		Knoll Pharmaceutical	50	pharmaceuticals	12	NA	11
		Berlex Laboratories	100	pharmaceuticals	5	NA	93
					193		
120. Johnson, Matthey & Co Ltd	UK	Johnson Matthey Inc	100	precious metals	170	NA	50
		Meyercord Co	100	decals	20	NA	13
					190		
121. Société Bic[1]	France	BIC Pen[1]	57	pens, lighters, razors	179	$8.8	122
122. BTR Ltd	UK	SW Industries	100	industrial mfg	178	15.0	130
123. Barclays Bank	UK	Barclays American	100	consumer finance	175[2,8]	9.1	908
		Barclays Bank NY	100	banking	NA	NA	598
		Barclays Bank Calif	100	banking	NA	NA	694
					175		
124. Tootal Ltd	UK	American Thread	100	thread	115	2.3	82
		Ups 'N Downs	100	retail clothing	58	0.7	30
					173		
125. Dainippon Ink & Chemicals Inc[1]	Japan	Polychrome	100	printing materials	140	5.6	110
		Khol & Madden Printing Ink	100	printing ink	24	–0.6	10
		DYNARIC	100	box strapping	5	–0.1	2
					169		

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Special Report
Spotlight on International Business

The 100 largest foreign companies

The table below is FORBES' first effort to rank the 100 largest foreign companies. Unlike other lists, and consistent with its approach in the FORBES 500 rankings, FORBES has ranked *all* the major overseas corporations according to their revenues in a single table—not only industrial companies but also foreign giants whose interests range from banking and utilities to trading. A few highlights:

- Last year, the top 100 had total sales of $1,186 billion.
- They employed more than 10.3 million persons.
- More than three-fourths of the top 100 are domiciled in just 4 countries: West Germany, France, Japan and the U.K. The rest are divided among another 12 countries.

Three of the first ten, led by top-ranked Royal Dutch/Shell, are energy companies whose total sales in 1979 were $123 billion. But they were far outstripped by the six biggest trading enterprises, all of them Japanese. During the same period the Japanese traders, headed by Mitsubishi Corp., had combined sales of $202 billion.

The 100 largest foreign companies

Company	Fiscal year end	Revenue* (millions)	Net income (millions)	Assets (millions)	Market value of common† (millions)	Corporate headquarters	Industry	Employees (thousands)
1. Royal Dutch/Shell Group	Dec	$59,405	$6,473	$59,717	$18,503[1]	UK/Netherlands	energy	163.0
2. Mitsubishi Corp	Mar	46,049	118	18,824	3,123	Tokyo, Japan	wholesaler	13.0
3. Mitsui & Co, Ltd	Mar	39,433	12	20,964	1,332	Tokyo, Japan	wholesaler	13.6
4. British Petroleum Ltd	Dec	38,706	3,439	34,779	11,897	London, UK	energy	113.2
5. C Itoh & Co, Ltd	Mar	34,272	–21	13,614	1,585	Tokyo, Japan	wholesaler	9.8
6. Marubeni Corp	Mar	31,279	–19	14,322	1,144	Osaka, Japan	wholesaler	10.0
7. Sumitomo Corp	Mar	29,436	47	8,637	592	Osaka, Japan	wholesaler	10.0
8. National Iranian Oil Co	Dec	25,000[2]	NA	NA	none[3]	Tehran, Iran	energy	NA
9. Nissho-Iwai Co, Ltd	Mar	21,900	21	8,541	653	Tokyo, Japan	wholesaler	8.5
10. Unilever	Dec	21,744	676	12,389	3,785[1]	Netherlands/UK	consumer goods	309.0
11. VEBA Group	Dec	19,972	239	14,080	2,748	Duesseldorf, Germany	energy	81.4
12. ENI Group	Dec	19,041	89	19,547	none[3]	Lazio, Italy	energy	121.3
13. Fiat Group	Dec	18,121	47	NA	498	Turin, Italy	automotive	360.0
14. TOTAL Group (Française des Pétroles)	Dec	17,296	479	14,279	1,648	Paris, France	energy	43.6
15. P.S.A. Peugeot-Citroën	Dec	17,114	254	12,266	824	Paris, France	automotive	289.8

* Revenue is for the "group" or consolidated except where noted, and excludes excise taxes and duties. † As of Dec. 31, 1979. [1]Combined market value. [2]Estimated. [3]Government, or privately owned, or cooperative. [4]Not fully consolidated. [5]Figures for year ended Dec. 31, 1978. [6]Figure for year ended Mar. 31, 1979. [7]Figure for Sept. 30, 1979. NA: Not available.

General notes: Revenues and net income are converted at an average rate of exchange for the fiscal year; assets are converted at year-end rate of exchange. Figures for 1979 were used for those February and March fiscal-year companies for which 1980 results were not available at press time.

The 100 largest foreign companies

Company	Fiscal year end	Revenue* (millions)	Net income (millions)	Assets (millions)	Market value of common† (millions)	Corporate headquarters	Industry	Employees (thousands)
16. Volkswagen Group	Dec	$16,753	$ 371	$12,508	$2,539	Wolfsburg, Germany	automotive	239.7
17. NV Philips Lamp	Dec	16,568	309	18,447	1,889	Eindhoven, Neth	elec equip	378.6
18. Renault	Dec	16,101	239	11,738	none[3]	Haut-Sen, France	automotive	233.4
19. Siemens Group	Sept	15,065	358	17,012	5,178	Munich, Germany	elec equip	334.0
20. Daimler-Benz AG	Dec	14,931	348	8,024	3,824	Stuttgart, Germany	automotive	174.4
21. Hoechst Group	Dec	14,774	298	12,710	2,654	Frankfurt, Germany	chemicals	182.7
22. Toyota Motor Sales Co	Mar	14,424	119	4,525	1,053	Nagoya, Japan	wholesaler	4.8
23. Bayer Group	Dec	14,186	240	13,775	3,075	Leverkusen, Germany	chemicals	181.0
24. Nestlé	Dec	14,133	491	10,322	4,797	Vevey, Switzerland	food	154.7
25. BASF Group	Dec	14,128	338	10,045	3,142	Ludwigshafen, Ger	chemicals	117.2
26. Petróles de Venezuela SA	Dec	14,116	2,907	13,092	none[3]	Caracas, Venezuela	energy	33.2
27. Toyota Motor Co, Ltd[4]	June	13,967	509	6,640	5,495	Toyota City, Japan	automotive	45.2
28. Thyssen Group	Sept	13,633	87	9,270	1,229	Duisburg, Germany	steel	155.8
29. Nissan Motor Co, Ltd	Mar	13,179	332	10,028	4,698	Tokyo, Japan	automotive	57.5[4]
30. Elf Aquitaine Group	Dec	13,167	1,398	15,846	5,501	Paris, France	energy	33.3
31. Deutsche Bundesbahn	Dec	12,941	−1,910	NA	none[3]	Frankfurt, Germany	transportation	345.7
32. Hitachi, Ltd	Mar	12,781	482	13,308	2,927	Tokyo, Japan	elec equip	141.1
33. Nippon Steel Corp	Mar	12,531	243	16,440	3,219	Tokyo, Japan	steel	74.1
34. Mitsubishi Heavy Inds, Ltd	Mar	11,941	112	15,464	1,720	Tokyo, Japan	indl machinery	93.8
35. Electricité de France	Dec	11,545	−159	42,025	none[3]	Paris, France	utility	108.7
36. Imperial Chemical Inds Ltd	Dec	11,389	880	12,841	4,523	London, UK	chemicals	148.2
37. Toyo Menka Kaisha, Ltd	Mar	11,083	8	4,868	244	Osaka, Japan	wholesaler	4.6
38. Matsushita Electric Industrial Co, Ltd	Nov	10,965	456	8,595	3,564	Osaka, Japan	elec equip	98.3
39. Kanematsu-Gosho Ltd	Mar	10,935	1	4,754	210	Tokyo, Japan	wholesaler	3.4
40. B.A.T Industries Ltd	Dec	10,387[2]	520	9,007	1,912	London, UK	multicompany	185.0
41. Petroleo Brasileiro SA	Dec	10,279	757	11,033	628	Rio De Janeiro, Brazil	energy	60.7
42. The Electricity Council	Mar	9,889	488	16,779	none[3]	London, UK	utility	159.8
43. Nichimen Co, Ltd	Mar	9,535	1	3,754	216	Osaka, Japan	wholesaler	3.5
44. Tokyo Electric Power Co[4]	Mar	9,059	410	22,950	3,936	Tokyo, Japan	utility	39.7
45. CAMPSA	Dec	8,480	NA	NA	none[3]	Madrid, Spain	energy	10.0
46. Toshiba Corp	Mar	8,455	104	8,614	1,689	Kawasaki, Japan	elec equip	99.0
47. Nippon Oil Co, Ltd	Mar	8,361	41	4,335	4,498	Tokyo, Japan	energy	11.4
48. Saint-Gobain	Dec	8,350	154	8,041	1,053	Paris, France	building products	147.8
49. Cie Générale d'Electricité	Dec	8,310	106	5,885[5]	507	Paris, France	elect equip	169.9
50. Montedison Group	Dec	8,224	−160[2]	9,960[5]	436	Milan, Italy	chemicals	115.0
51. RWE Group	June	8,213	257	11,554	2,516	Essen, Germany	energy	65.4
52. Osterreichische Industrie Verwaltungs AG	Dec	8,139	NA	4,803	none[3]	Vienna, Austria	metals	115.3
53. Petroleos Mexicanos	Dec	8,085	NA	NA	none[3]	Marina Nacional, Mex	energy	95.9
54. Pechiney Ugine Kuhlmann	Dec	7,957	233	8,163	592	Paris, France	metals	91.9
55. Rhône-Poulenc Group	Dec	7,940	186	7,806	763	Paris, France	chemicals	107.0
56. Petrofina SA	Dec	7,824	283	7,225	2,621	Brussels, Belgium	energy	23.0
57. AEG-Telefunken Group	Dec	7,752	−539[4]	5,411[4]	387	Frankfurt, Germany	elec equip	154.3
58. NV Nederlandse Gasunie	Dec	7,377	40	3,051	none[3]	Groningen, Neth	energy	1.6
59. ENEL	Dec	7,295	−1	NA	none[3]	Rome, Italy	utility	114.3
60. Banque Nationale de Paris Group	Dec	7,241	137	98,756	445	Paris, France	banking	48.0
61. Barclays Bank Group	Dec	7,173	739	67,458	2,199	London, UK	banking	110.0
62. Gutehoffnungshütte Group	June	7,137	45[4]	5,180[6]	827	Oberhausen, Germany	industrial equip	84.3
63. Thomson-Brandt Group	Dec	7,052	65	8,107	303	Paris, France	elec equip	126.3
64. SNCF	Dec	7,051	25	NA	none[3]	Paris, France	transportation	260.0
65. Friedrich Krupp Group	Dec	6,983	35	NA	none[3]	Bochum, Germany	steel	85.0
66. Crédit Lyonnais Group	Dec	6,964	90	91,085	397	Paris, France	banking	46.8
67. Canadian Pacific Ltd	Dec	6,957	434	9,419	2,408	Montreal, Canada	transportation	114.4
68. British National Oil Co	Dec	6,884	29	2,639	none[3]	Glasgow, Scotland	energy	1.5
69. Mannesmann Group	Dec	6,820	80	5,248	1,386	Duesseldorf, Germany	industrial equip	105.9
70. Empain-Schneider	Dec	6,649	2	NA	125	Paris, France	industrial equip	127.0

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The 100 largest foreign companies

Company	Fiscal year end	Revenue* (millions)	Net income (millions)	Assets (millions)	Market value of common† (millions)	Corporate headquarters	Industry	Employees (thousands)
71. Deutsche Bank Group	Dec	$6,634	$225	$91,289	$3,303	Frankfurt, Germany	banking	43.9
72. ESTEL NV	Dec	6,500	–87	5,678	none[3]	Nijmegen, Neth	steel	79.2
73. National Westminster Bank	Dec	6,496	702	64,377	1,825	London, UK	banking	80.3
74. British Steel Corp	Mar	6,384	–601	10,824	none[3]	London, UK	steel	186.0
75. Naamloze Vennootschap DSM	Dec	6,356	44	4,877	none[3]	Heerlen, Neth	chemicals	31.8
76. BL Limited	Dec	6,344	–307	4,988	583	London, UK	automotive	176.8
77. Crédit Agricole	Dec	6,307[4]	388	104,975	none[3]	Paris, France	banking	65.0
78. Ruhrkohle[5]	Dec	6,217	2	5,958	none[3]	Essen, Germany	energy	136.5
79. Idemitsu Kosan Co Ltd	Mar	6,127	–13	5,975	none[3]	Tokyo, Japan	energy	10.1
80. Karstadt Group	Dec	6,050	24	1,363	1,010	Essen, Germany	retailer	85.2
81. Générale Occidentale	Mar	6,000[2]	NA	1,627[6]	205	Paris, France	multicompany	60.0
82. Akzo Group	Dec	5,989	115	4,738	369	Arnhem, Netherlands	chemicals	83.0
83. Dunlop Pirelli Union	Dec	5,981	NA	NA	none[3]	London, UK	automotive	162.1
84. Ciba-Geigy Ltd	Dec	5,949	195	9,827	2,700	Basle, Switzerland	chemicals & drugs	80.2
85. Nippon Kokan K.K.	Mar	5,941	49	11,394	1,307	Tokyo, Japan	steel	36.0
86. Finsider Group[5]	Dec	5,926	–613	12,534	110	Rome, Italy	steel	109.4
87. National Coal Board	Mar	5,804	–38	5,450	none[3]	London, UK	energy	300.0
88. Honda Motor Co, Ltd	Feb	5,783	123	3,576	1,772	Tokyo, Japan	automotive	33.4
89. British Gas Corp	Mar	5,770	335	5,402	none[3]	London, UK	utility	102.9
90. Société Générale Group	Dec	5,600[2]	160[2]	84,914	none[3]	Paris, France	banking	44.0
91. Volvo Group	Dec	5,475	97	4,993	368	Gothenburg, Sweden	automotive	65.1
92. KF/Konsum Coop Group	Dec	5,348	26	2,807	none[3]	Stockholm, Sweden	cooperative	72.2
93. Rio Tinto-Zinc Corp Ltd	Dec	5,339	248	7,091	1,824	London, UK	metals	57.3
94. Michelin Group	Dec	5,336	134	6,073[5]	869	Clermont-Ferrand, Fr	automotive	120.0
95. Kansai Electric Power Co[4]	Mar	5,322	–82	12,829	2,663	Osaka, Japan	utility	23.7
96. Sumitomo Metal Inds Ltd	Mar	5,314	85	9,055	1,130	Osaka, Japan	steel	29.0[4]
97. Imperial Group Ltd	Oct	5,300[2]	503	4,229	1,183	London, UK	multicompany	101.8
98. BBC Brown Boveri & Cie	Dec	5,292	25[4]	2,403[4]	899	Baden, Switzerland	multicompany	101.4
99. Mitsubishi Electric Corp	Mar	5,057	109	4,710	1,171	Tokyo, Japan	elec equip	59.7
100. SHV Holdings nv	Dec	5,047	54	1,810	564	Utrecht, Netherlands	wholesaler	29.0

And the 25 runners-up

Company	Fiscal year end	Revenue* (millions)	Net income (millions)	Assets (millions)	Market value of common† (millions)	Corporate headquarters	Industry	Employees (thousands)
101. George Weston Ltd	Dec	$5,009	$ 59	$ 1,290	$ 215	Toronto, Canada	food	65.0
102. Kawasaki Steel Corp[4]	Mar	4,998	218	6,835	1,256	Tokyo, Japan	steel	35.1
103. Daiei, Inc	Feb	4,947	40	2,809	873	Osaka, Japan	retailer	40.8
104. British Railways Board	Dec	4,891	–1	5,673	none[3]	London, UK	transportation	244.1
105. Dresdner Bank	Dec	4,858	146	70,043	1,956	Frankfurt, Germany	banking	31.4
106. General Electric Co Ltd	Mar	4,855	417	5,466	4,027	London, UK	elec equip	155.0
107. Robert Bosch Group[5]	Dec	4,788	109	3,774	none[3]	Stuttgart, Germany	automotive	118.3
108. Friedrich Flick Group	Dec	4,747	NA	3,845[5]	none[3]	Duesseldorf, Germany	chemicals	46.8
109. Banco do Brasil	Dec	4,719	569	49,014	898	Brasilia, Brazil	banking	84.5
110. Migros-Genossenschafts-Bund	Dec	4,642	62	3,166	none[3]	Zurich, Switzerland	retailer	37.5
111. Kawasho Corp[4]	Sept	4,635	2	1,798	81	Osaka, Japan	wholesaler	1.5
112. Bell Canada	Dec	4,494	370	8,883	2,781	Montreal, Canada	telecommunications	94.1
113. Maruzen Oil Co, Ltd	Mar	4,433	–2	2,810	623	Osaka, Japan	energy	4.7
114. Royal Bank of Canada	Oct	4,418	242	45,224	1,327	Montreal, Canada	banking	36.8[4]
115. Chubu Electric Power Co[4]	Mar	4,401	213	8,819[7]	2,223	Nagoya, Japan	utility	19.0

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And the 25 runners-up

Company	Fiscal year end	Revenue* (millions)	Net income (millions)	Assets (millions)	Market value of common† (millions)	Corporate headquarters	Industry	Employees (thousands)
116. Kobe Steel, Ltd[4]	Mar	$4,389	$ 68	$5,919	$ 887	Tokyo, Japan	steel	32.9
117. Alcan Aluminium	Dec	4,381	427	4,490	1,896	Montreal, Canada	metals	65.4
118. Kaufhof Group	Dec	4,362	21	1,560	632	Cologne, Germany	retailer	58.8
119. Hyundai Construction Co	Dec	4,304	60	4,504	NA	Seoul, Korea	shipbuilding	103.8
120. Metallgesellschaft	Sept	4,242	10	2,354	616	Frankfurt, Germany	metal refining	29.6
121. Guest Keen & Nettlefolds	Dec	4,160	70	3,696	910	West Midlands, UK	automotive	104.3
122. Solvay Group	Dec	4,126	138	4,115	565	Brussels, Belgium	chemicals	46.2
123. Taiyo Fishery Co, Ltd	Jan	4,123	16	1,923	175	Tokyo, Japan	food	6.4[4]
124. Mitsubishi Chemical Inds	Jan	4,112	43	4,382	740	Tokyo, Japan	chemicals	14.0
125. BMW Group	Dec	4,041	64	1,959	953	Munich, Germany	automotive	41.9

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Special Report Spotlight on International Business

The 100 largest U.S. multinationals

Five of the top ten among the 100 largest U.S.-based multinationals are, once again, oil companies. Predictably, last year their total foreign revenues increased 30%, with Exxon, Mobil and Texaco in the lead. But the five biggest nonoil giants, headed by Ford and GM, nearly kept pace, their combined foreign sales up 25%. Engelhard Minerals & Chemicals' move to tenth place, though a jump of only one notch, was no small achievement. The dizzying prices that precious metals commanded in world markets helped to push its overseas revenues to almost $9.8 billion, a 92% jump over last year.

Another big gainer was Charter Co., which appears on the table for the first time as number 67 (it didn't even make the runners-up last year) because of the acquisition of Carey Energy and its big Bahamian refinery operation.

Among those multinationals that lost the most ground was $673 million (foreign revenues) Pullman. A year ago, it was 84th; but, with a 28% decline in operating sales from Western Europe, it fell to 125th.

The 100 largest U.S. multinationals

Rank	Company	Foreign revenue (millions)	Total revenue (millions)	Foreign as % of total	Foreign operating profit* (millions)	Total operating profit* (millions)	Foreign as % of total	Foreign assets (millions)	Total assets (millions)	Foreign as % of total
1	Exxon	$56,999	$79,107	72.1%	$3,337	$5,027	66.4%	$26,519	$49,490	53.6%
2	Mobil	27,401[2]	45,477[2]	60.3	1,419[1]	2,007[1]	70.7	14,504	27,506	52.7
3	Texaco	26,023	38,350	67.9	1,085[1]	1,759[1]	61.7	12,613	22,992	54.9
4	Ford Motor	19,106	43,514	43.9	1,368[1]	1,169[1]	117.0	12,814	23,510	54.5
5	Standard Oil Calif	17,490	29,948	58.4	977[1]	1,785[1]	54.7	9,914	18,095	54.8
6	General Motors	16,751	66,311	25.3	591[1]	2,893[1]	20.4	8,369	32,023	26.1
7	IBM	12,244	22,863	53.6	1,437[1]	3,011[1]	47.7	12,345	24,530	50.3
8	Intl Tel & Tel[3]	11,579	21,996	52.6	905	1,607	56.3	11,388	26,178	43.5
9	Gulf Oil	11,102	23,910	46.4	590[1]	1,322[1]	44.6	6,302	17,265	36.5
10	Engelhard Minerals	9,790[2]	18,102[2]	54.1	453	649	69.9	2,414	5,800	41.6
11	Citicorp	7,287[4]	10,904	66.8	352[1]	541[1]	65.1	61,824[5]	94,281[5]	65.6
12	General Electric	4,997[2]	22,980[2]	21.7	293[1]	1,409[1]	20.8	4,049	16,645	24.3
13	BankAmerica	4,728	9,450	50.0	226[1]	600[1]	37.7	39,737[5]	94,301[5]	42.1
14	Conoco	4,709[2,6]	13,030[2,6]	36.1	372[1]	815[1]	45.7	3,358	9,311	36.1
15	Dow Chemical	4,672	9,255	50.5	649	1,334	48.7	5,389	10,252	52.6
16	Occidental Petroleum	4,573[2]	9,638[2]	47.4	1,392	1,430	97.4	2,194	5,560	39.5
17	Chase Manhattan	3,786	6,079	62.3	146[1]	303[1]	48.2	32,481	64,708	50.2
18	Standard Oil Indiana	3,725[2]	18,930[2]	19.7	719[1]	1,507[1]	47.7	5,417	17,150	31.6
19	EI du Pont de Nemours	3,357	12,572	26.7	393	1,760	22.3	2,325	8,940	26.0
20	Xerox	3,316	7,027	47.2	262[1]	563[1]	46.6	3,023	6,554	46.1

*Unless otherwise indicated. [1] Net income. [2] Includes other income. [3] Includes proportionate interest in unconsolidated subsidiaries or investments. [4] Estimate. [5] Average assets. [6] Includes excise taxes. [7] Profit before interest and after taxes. [8] Income before security gains or losses. [9] Excludes international transportation. [10] Pretax income. [11] Excludes Canada. [12] From continuing operations. [13] Excludes Canada and Mexico. PD: Profit over deficit. DP: Deficit over profit. NA: Not available.

The 100 largest U.S. multinationals

Rank	Company	Foreign revenue (millions)	Total revenue (millions)	Foreign as % of total	Foreign operating profit* (millions)	Total operating profit* (millions)	Foreign as % of total	Foreign assets (millions)	Total assets (millions)	Foreign as % of total
21	Eastman Kodak	$3,239	$ 8,028	40.4%	$ 482	$1,649	29.2%	$2,536	$7,547	33.6%
22	Goodyear	3,168	8,239	38.5	242	489	49.4	2,295	5,371	42.7
23	Sun Co	3,141[2]	10,801[2]	29.1	179[7]	780[7]	23.0	1,785	7,461	23.9
24	Safeway Stores	2,952	13,718	21.5	108	304	35.7	756	3,101	24.4
25	Union Carbide	2,782	9,177	30.3	318	1,072	29.7	2,517	8,803	28.6
26	Procter & Gamble	2,772	9,329	29.7	115[1]	577[1]	19.9	1,360	5,664	24.0
27	Colgate-Palmolive	2,706	4,494	60.2	262	374	70.1	1,262	2,429	52.0
28	Chrysler	2,635	12,002	22.0	–25[1]	–1,097[1]	2.3	2,055	6,653	30.9
29	Tenneco	2,545	11,209	22.7	259	1,358	19.1	2,390	11,631	20.5
30	FW Woolworth	2,413	6,785	35.6	184	346	53.2	1,169	2,927	39.9
30	CPC International	2,413	3,699	65.2	234	345	69.8	1,413	2,068	68.3
32	Coca-Cola	2,299	4,961	46.3	523	795	65.8	1,228	2,938	41.8
33	Intl Harvester	2,293	8,392	27.3	272	827	32.9	1,432	5,248	27.3
34	Pan Am World Airways	2,281	2,485	91.8	118	78	150.2	NA	2,677	NA
35	Union Oil California	2,233[2]	7,681[2]	29.1	106	1,081	9.8	711	-6,013	11.8
36	JP Morgan	2,226	3,634	61.3	150[8]	288[8]	52.2	22,116	43,488	50.9
37	General Tel & Elec	2,195	9,958	22.0	57[1]	645[1]	8.8	3,292	18,406	17.9
38	Minn Mining & Mfg	2,139	5,440	39.3	430	1,179	36.5	1,493	4,575	32.6
39	United Technologies	2,103	9,053	23.2	218	695	31.4	1,651	6,426	25.7
40	Manufacturers Hanover	2,069	3,847	53.8	103[1]	212[1]	48.6	21,869	47,675	45.9
41	Atlantic Richfield	1,986	16,234	12.2	78[1]	1,166[1]	6.7	1,055	13,833	7.6
42	Phillips Petroleum	1,964	9,503	20.7	1,209	2,173	55.6	1,908	8,519	22.4
43	Monsanto	1,955	6,193	31.6	–24	524	DP	1,680	5,539	30.3
44	Johnson & Johnson	1,839	4,212	43.7	328	634	51.8	1,253	2,874	43.6
45	Kraft	1,820	6,433	28.3	100	428	23.3	760	2,523	30.1
46	American Brands	1,818	3,772	48.2	158	684	23.0	1,245	3,671	33.9
47	Firestone	1,747	5,284	33.1	61	289	21.1	1,311	3,457	37.9
48	RJ Reynolds Inds	1,732	7,133	24.3	107[9]	1,130	9.5	982[9]	6,422	15.3
49	Caterpillar Tractor	1,631	7,613	21.4	78	950	8.2	1,055	5,403	19.5
50	Sperry	1,628	4,179	39.0	237	555	42.8	1,588	3,724	42.6
50	Beatrice Foods	1,628	7,468	21.8	118	612	19.3	922	3,669	25.1
52	NCR	1,626	3,003	54.2	189	460	41.0	1,360	2,918	46.6
53	WR Grace	1,577	5,267	29.9	253	573	44.2	860	3,729	23.1
54	Continental Group	1,555	4,370	35.6	96	254	37.8	773	3,595	21.5
55	Pfizer	1,549	2,746	56.4	272	433	62.9	1,482	3,049	48.6
56	Trans World	1,542[2]	4,370[2]	35.3	101	127	79.5	834	2,807	29.7
57	Sears, Roebuck[3]	1,536	25,197	6.1	47[1]	785[1]	6.0	1,021	27,411	3.7
58	Halliburton	1,475	7,766	19.0	157	593	26.5	1,196	3,923	30.5
58	Chemical New York	1,475	3,294	44.8	50[1]	135[1]	37.0	17,129	39,375	43.5
60	Bankers Trust New York	1,467	2,727	53.8	59[1]	114[1]	51.8	14,420	30,953	46.6
61	General Foods	1,421	5,472	26.0	54	495	11.0	675	2,565	26.3
62	Warner-Lambert	1,416	3,217	44.0	241	534	45.1	1,111	2,874	38.7
63	RCA	1,415	7,455	19.0	126[10]	472[10]	26.7	902	5,988	15.1
64	TRW	1,371	4,560	30.1	176	445	39.6	952	2,620	36.4
65	Deere	1,355	4,933	27.5	31	553	5.6	1,101	4,179	26.3
66	Consolidated Foods	1,347	4,720	28.5	116	317	36.5	730	2,090	34.9
67	Charter	1,300	4,250	30.6	386	495	78.0	557	1,729	32.2
68	American Express	1,261	4,667	27.0	97	464	20.8	8,168	17,108	47.7
69	Gillette	1,260	1,985	63.5	133[11]	254	52.4	926[11]	1,528	60.6
70	American Home Products	1,246[2]	3,650[2]	34.1	220	713	30.9	669	2,091	32.0
71	Marathon Oil	1,222	6,681	18.3	124[1]	295[1]	41.9	1,437	4,321	33.2
71	Burroughs	1.222[2]	2,831[2]	43.1	238	614	38.7	1,418	3,387	41.9
73	Continental Illinois	1,213	3,376	35.9	36[1]	196[1]	18.4	13,622	35,790	38.1
74	Bendix	1,202	3,856	31.2	102	350	29.0	716	2,311	31.0
75	First Chicago	1,171	2,646	44.3	4[1]	112[1]	3.6	13,425	30,182	44.5

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The 100 largest U.S. multinationals

Rank	Company	Foreign revenue (millions)	Total revenue (millions)	Foreign as % of total	Foreign operating profit* (millions)	Total operating profit* (millions)	Foreign as % of total	Foreign assets (millions)	Total assets (millions)	Foreign as % of total
75	Fluor	$1,171	$3,543	33.0%	$ 91	$209	43.5%	$389	$1,268	30.7%
77	PepsiCo	1,162	5,091	22.8	117	521	22.4	840	2,888	29.1
78	Hewlett-Packard	1,160	2,361	49.1	134	398	33.7	532	1,900	28.0
79	Honeywell	1,156	4,210	27.5	137	478	28.7	941	3,340	28.2
80	Ralston Purina	1,139	4,601	24.7	48	298	16.0	378	2,183	17.3
81	Amerada Hess	1,133	6,770	16.7	138[1]	507[1]	27.2	1,061	4,899	21.7
82	American Cyanamid	1,125	3,187	35.3	170	329	51.8	767	2,827	27.1
83	Merck	1,120	2,385	47.0	209	604	34.6	1,044	2,614	39.9
84	Singer	1,116	2,598	43.0	106	148	71.6	672	1,482	45.3
85	Allied Chemical	1,104	4,332	25.5	143[1,12]	176[1,12]	81.3	1,086	4,210	25.8
86	American Standard	1,093	2,432	44.9	150	285	52.6	597	1,423	42.0
87	Gulf & Western Inds[3]	1,081	6,507	16.6	134	564	23.8	1,106	5,160	21.4
88	Esmark	1,080	6,743	16.0	37	240	15.5	290	2,390	12.1
89	International Paper	1,072	4,533	23.7	128	449	28.5	706	4,843	14.6
90	Avon Products	1,067	2,378	44.9	170	447	38.1	607	1,406	43.2
90	American Intl Group	1,067	2,328	45.9	172	321	53.5	2,340	5,728	40.9
92	Texas Instruments	1,056	3,224	32.8	175[10]	309[10]	56.6	571	1,908	29.9
93	Standard Brands	1,052	2,613	40.2	73	180	40.9	617	1,385	44.5
94	Getty Oil	1,042	4,831	21.6	818	1,568	52.1	1,671	6,032	27.7
95	Litton Industries	990	4,088	24.2	86	389	22.2	954	2,854	33.4
96	Scott Paper	983	1,908	51.5	65[1]	137[1]	47.1	763	1,830	41.7
97	Westinghouse Electric	972	7,332	13.3	95	463	20.5	633	6,822	9.3
98	Uniroyal	953	2,575	37.0	41	–34	PD	521	1,669	31.2
99	Philip Morris	952	6,144	15.5	90	1,157	7.8	1,068	6,379	16.7
100	Bristol-Myers	949	2,753	34.5	153	465	32.8	665	1,922	34.6

And the 25 runners-up

Rank	Company	Foreign revenue (millions)	Total revenue (millions)	Foreign as % of total	Foreign operating profit* (millions)	Total operating profit* (millions)	Foreign as % of total	Foreign assets (millions)	Total assets (millions)	Foreign as % of total
101	HJ Heinz	$935	$2,471	37.9%	$77	$215	35.8%	$609	$ 1,624	37.5%
102	Carnation	919	2,826	32.5	63	257	24.5	404	1,484	27.2
103	First National Boston	903	1,637	55.2	17[1]	84[1]	20.2	5,778[5]	12,809[5]	45.1
104	Ingersoll-Rand	886	2,542	34.8	96	361	26.6	754	2,128	35.4
105	Eli Lilly	879	2,206	39.9	91[1]	330[1]	27.7	818	2,179	37.5
106	Eaton	878	3,360	26.1	31[1]	154[1]	20.1	653	2,355	27.7
107	JC Penney	861	11,274	7.6	NA	244[1]	NA	NA	5,077	NA
108	Kimberly-Clark	851	2,218	38.4	72	254	28.1	951	2,105	45.2
109	ASARCO[3]	833	2,557	32.6	171[1]	259[1]	66.1	1,106	2,526	43.8
110	Borden	813	4,313	18.9	51	300	16.9	575	2,463	23.3
111	Borg-Warner	794	2,705	29.4	48	243	19.7	503	1,817	27.7
112	Owens-Illinois	791	3,504	22.6	47	252	18.7	690	2,910	23.7
113	City Investing	788	5,041	15.6	89	455	19.6	763	6,866	11.1
114	Dresser Industries	769	3,457	22.2	80	462	17.3	584	2,504	23.3
115	Rockwell International	767	6,176	12.4	90	538	16.8	606	4,128	14.7
116	Levi Strauss	764	2,103	36.3	144	390	36.9	400	1,291	31.0
117	Armco	752	5,035	14.9	98	466	21.0	455	3,260	13.9
118	Control Data[3]	729	3,250	22.4	80	623	12.8	536	6,785	7.9
119	Black & Decker	725	1,205	60.2	76[1]	94[1]	80.7	505	910	55.5
120	United Brands	720[13]	3,470	20.8	NA	21[1]	NA	465[12]	1,217	38.2
121	Foster Wheeler	707	1,654	42.7	33	74	44.8	369	895	41.3
122	Sterling Drug	705	1,501	47.0	92	216	42.4	571	1,150	49.6
123	Emhart	691	1,574	43.9	79	128	61.1	381	965	39.5
123	Motorola	691[4]	2,714	25.5	69	335	20.7	542	1,903	28.5
125	Pullman	673[2]	3,208[2]	21.0	31	156	19.9	239	1,299	18.4

*Unless otherwise indicated. [1]Net income. [2]Includes other income. [3]Includes proportionate interest in unconsolidated subsidiaries or investments. [4]Estimate. [5]Average assets. [6]Includes excise taxes. [7]Profit before interest and after taxes. [8]Income before security gains or losses. [9]Excludes international transportation. [10]Pretax income. [11]Excludes Canada. [12]From continuing operations. [13]Excludes Canada and Mexico. PD: Profit over deficit. DP: Deficit over profit. NA: Not available.

Y 21, 1980

TWO DOLLARS

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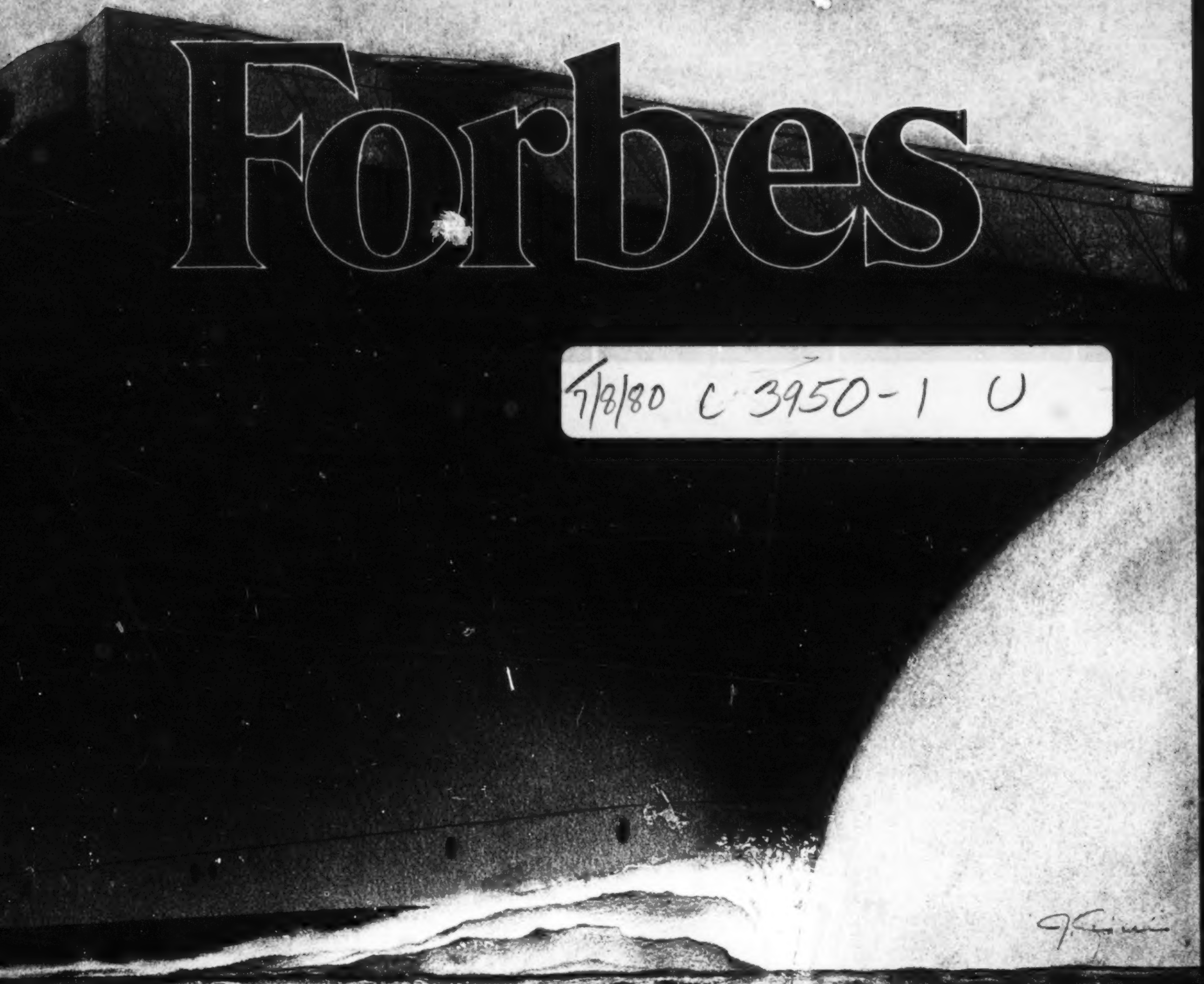

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U.S. NAVAL POWER

HOW STRONG? HOW VULNERABLE?

Forbes

July 21, 1980
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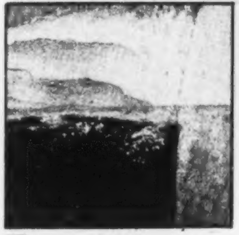

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Automobiles: *Guess Who's Next!* A few months ago, American Motors was acting as if it were about to own the world. Now it seems inevitably headed for the biggest loss in its checkered history. That's the bad news. The good news is that it probably won't be American taxpayers who pick up the tab but French taxpayers—through France's government-owned car company, Renault, now American's controlling stockholder. 31

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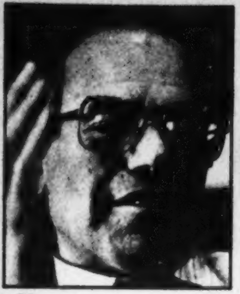

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It's no disgrace to find your company's name on the following lists. Some of these stocks will be big winners in the next 12 months.

Loaded laggards

Statistical Spotlight

COUNT DRACULA would have loved these lists. While everyone else is off chasing oil service stocks and defense stocks, he would have his pick of an ever-lengthening list of ghoul's gold—stocks worth far more dead than alive. While it's no rarity in this undervalued stock market for a stock to be selling around book value, how can you sneer at discounts from book of 60% and more?

Think like Dracula for a moment. They used to call it tombstone-watching. Do you really have to worry much about the immediate prospects of the boating industry when you can buy $3.02 worth of Outboard Marine assets for every dollar you invest? Now look at it over time. Back in 1971 you would have gotten only 11 cents' worth of Jewelcor assets for every dollar you invested in that stock. But today you would be buying $3.32 in assets.

It's no secret that when discounts from book value are that steep they tend to attract tender offers. In October, for example, swimsuitmaker Jantzen was selling at a book/price ratio of 1.73—roughly 60% of book value. A few months later Blue Bell paid out $30 a share for Jantzen, giving Dracula a tidy 94% gain on his investment.

What does the Count tell his broker to look for over there in Transylvania? Three things. First, a stock selling way below book value—say at least a book/price ratio of 1.79 or higher. Second, just to be on the safe side, the company has to have positive net working capital. And third, to be safer still, it has to have been in the black for the past 12 months.

That gives you a list like the first table. Most of the companies on this list also sell for less than net working capital: current assets minus all debt and preferred stock. They are worth more dead than alive even if their plant and equipment are worthless.

If you're as discriminating about such ghoul's gold as Dracula can afford to be in this market, there's a further test that gives you a reading of a company's relative health: the ratio of total debt plus unfunded pension liability to cash flow. In other words, how fast can the company liquidate all its debt and unfunded pension liability with its cash flow? When you're tombstone-watching you tend to think in such drastic terms. But it's a useful guide. By this measure Springs Mills could knock out its debt in just a year and a half, whereas it would take unfortunate Bobbie Brooks over 146 years to do the same thing.

You may well ask: Who wants to play around with this ghoulish stuff? Why not stick to oils and golds and gambling stocks—where the live action is? The answer is in the table on the opposite page; it shows some big winners from our Oct. 15, 1979 list of undervalued securities. Quite a number did handsomely in a stock market that, on balance, went nowhere.—*Steve Kichen*

Loaded laggards

All of these companies are priced at 50% discount or more from their book values. Ghoul's gold?

Company	Book value per dollar of stock price	Recent price	Book value per share	Book value per dollar of stock price: range 1970-79	Price range 1970-present	Latest 12-month earnings per share	Present P/E ratio	Net working capital per share	Net working capital per dollar of stock price	Average earned on net net worth 1970-79	Total debt + pension liability/ 1979 cash flow[1]	Indicated yield
Jewelcor	3.32	3⅝	$12.04	5.31–0.11	37⅞– 1⅜	$0.51	7.1	$ 4.07	1.12	14.3%	17.3	—
Sheller-Globe	3.09	5⅝	17.42	2.52–0.25	32⅛– 3⅞	0.15	37.5	1.74	0.31	10.7	6.5	5.3%
Outboard Marine	3.02	10⅜	31.41	2.89–0.33	60⅝– 8⅞	0.30	34.6	14.13	1.36	11.0	6.6	6.7
Cunningham Drg Strs	2.80	8⅞	24.86	7.30–0.90	16½– 2¾	1.24	7.2	13.85	1.56	3.0	1.4	4.5
Salant	2.76	15¾	15.91	4.17–0.60	13½– 2⅞	0.80	7.2	12.18	2.12	9.7	16.8	7.0
Springs Mills	2.61	15	39.21	3.79–1.55	20⅞– 8¼	4.07	3.7	19.31	1.29	5.4	1.5	8.0
American Motors	2.60	5⅜	14.01	3.80–0.66	13⅜– 3¼	1.23	4.4	6.11	1.14	0.8	3.8	—
Questor	2.60	5½	14.34	4.15–0.54	21½– 2⅞	0.73	7.5	5.76	1.05	5.2	5.0	3.6
Bobbie Brooks	2.52	3⅛	7.89	7.15–0.35	21½– 1	0.23	13.6	4.39	1.40	–5.9[2]	146.6	—
Triangle Industries	2.51	8⅝	21.66	3.17–0.93	20⅝– 6⅜	1.85	4.7	10.09	1.17	3.6	7.1	4.6
Wurlitzer Co	2.51	7⅝	19.17	7.20–0.99	19⅞– 2	0.03	NM	9.04	1.19	1.8	17.0	—
Phillips-Van Heusen	2.49	11⅝	29.02	5.76–0.73	26½– 3¾	2.35	4.9	15.81	1.36	5.3	7.0	5.2
Helene Curtis Ind	2.44	6¾	16.51	4.47–0.42	11½– 2	1.22	5.5	11.43	1.69	4.4	3.3	—
Oxford Industries	2.36	9⅝	22.72	2.99–0.52	34 – 7	1.86	5.2	15.42	1.60	14.5	2.5	7.9
Cluett, Peabody	2.34	8⅝	20.19	5.65–0.47	27⅛– 2½	1.80	4.8	12.27	1.42	6.9	3.9	7.9

[1] Cash flow: Net income plus noncash charges of depreciation, depletion and amortization, less preferred dividends.

[2] Figure shows only nine years' worth of data. NA: Not applicable. NM: Not meaningful.

Sources: Standard & Poor's; Value Line; FORBES.

Company	Book value per dollar of stock price	Recent price	Book value per share	Book value per dollar of stock price: range 1970-79	Price range 1970-present	Latest 12-month earnings per share	Present P/E ratio	Net working capital per share	Net working capital per dollar of stock price	Average earned on net net worth 1970-79	Total debt + pension liability/ 1979 cash flow[1]	Indicated yield
Fabri-Cent of Amer	2.31	5	$11.58	2.63–0.22	18⅞– 2⅜	$1.08	4.6	$6.37	1.27	13.6%	3.8	5.6%
Ceco Corp	2.18	13¾	30.11	2.64–0.55	37 – 9⅛	4.39	3.1	15.17	1.10	9.2	2.3	5.5
Magic Chef	2.18	6½	14.22	4.36–0.28	29⅜– 2½	1.09	6.0	5.35	0.82	9.4	8.1	4.9
Pamida	2.18	3¼	7.10	2.47–0.13	24⅝– 2½	0.37	8.8	3.57	1.10	11.9	4.5	—
Munsingwear	2.17	14	30.38	2.61–0.65	38¾– 9¾	1.47	9.5	19.16	1.37	7.6	9.8	8.6
McNeil Corp	2.11	13¾	29.12	3.31–1.02	20½– 6⅞	1.88	7.3	14.60	1.06	7.4	5.2	6.5
Adams Drug	2.08	3⅜	7.03	2.86–0.11[2]	26¾– 1⅝[2]	0.62	5.4	4.55	1.35	13.2[2]	4.6	1.2
Hart Schaffner Marx	2.05	12⅜	25.41	3.93–0.49	32½– 4⅞	2.56	4.8	17.22	1.39	8.0	1.9	8.1
First Wisconsin	2.02	23¼	46.97	3.67–0.82	42¾–10	5.08	4.6	58.25	2.51	9.1	NA	8.1
House of Fabrics	2.00	4⅜	8.76	2.31–0.14	29⅞– 3⅜	0.49	8.9	4.44	1.01	12.5	2.2	4.6

[1] Cash flow: Net income plus noncash charges of depreciation, depletion and amortization, less preferred dividends.

[2] Figure shows only nine years' worth of data. NA: Not applicable. NM: Not meaningful.

Sources: Standard & Poor's; Value Line; FORBES.

Testing Benjamin Graham

The late Benjamin Graham thought one sure sign of a bargain was a stock selling for less than working capital. Last October we listed 191 companies that met this criterion. Between then and now, 5 of the 191 are unchanged, 118 are down an average of 21% and 68 are up an average of 32%. Below, 35 stocks that rose 21% or more.

Company	Appreciation	October 1979 price	Recent price	October 1979 net working capital[1] per dollar of stock price	Recent net working capital[1] per dollar of stock price	Latest 12-month earnings per share	P/E ratio
All American Industries	145%	1⅜	3⅜	1.08	0.68	$0.61	5.5
Jaco Electronics	142	3	7¼	1.73	0.89	1.53	4.7
MacAndrews & Forbes Group[2]	100	4⅛	8¼	1.68	0.02	0.96	8.6
Jantzen[3]	94	15½	30	1.43	—	—	—
Cole Consumer Products[4]	91	5⅞	11¼	1.08	—	—	—
Astrosystems	75	4	7	1.26	0.81	1.17	6.0
Dewey Electronics	67	1½	2½	2.13	1.25	0.43	5.8
Marshall Industries	67	8⅝	13¾	1.08	0.74	2.03	6.8
Hiller Aviation[5]	65	3¼	5⅜	1.88	0.91	0.45	11.9
Unibraze Corp	65	5	8¼	1.37	0.92	1.19	6.9
Gateway Industries	58	9	14¼	1.01	0.79	2.95	4.8
Bayly Corp	57	14	22	1.18	0.81	5.30	4.2
Rodale Electronics[6]	56	8	12½	1.91	1.33	0.69	18.1
AIC Photo	55	2¾	4¼	1.47	1.28	1.33	3.2
Spencer Cos	52	4⅛	6¼	1.97	1.24	0.72	8.7
Stanwood	52	3⅜	5⅛	1.36	1.17	1.19	4.3
Mathematica	46	6½	9½	1.02	1.34	1.38	6.9
Andrea Radio	45	4⅛	6	1.27	0.88	0.58	10.3
Lilli Ann[7]	44	8	11½	1.42	—	—	—
National Silver Industries	41	4⅞	6⅞	2.15	1.56	0.25	27.5
Ormand Industries	41	2¾	3⅞	1.39	0.89	0.34	11.4
Sage-Allen & Co	39	4½	6¼	1.48	1.31	1.63	3.8
Atalanta[8]	33	7⅛	9½	1.35	—	—	—
Ehrenreich Photo-Optical	32	9⅝	12¾	1.19	0.78	d4.05	neg
Wham-O Mfg	32	4¾	6¼	1.20	0.89	3.05	2.0
Belscot Retailers	31	2	2⅝	2.07	1.26	d0.42	neg
Cannon Mills	31	18⅛	23¾	1.19	0.93	4.28	5.5
Frederick's of Hollywood	31	3⅝	4¾	1.09	0.93	1.03	4.6
Entwistle Co	30	2½	3¼	1.14	0.99	d0.25	neg
Wayne-Gossard	30	5	6½	1.39	1.03	d0.67	neg
Kiddie Products	27	8¼	10½	1.34	1.24	2.33	4.5
Ducommun	25	15¾	19¾	1.20	0.97	4.16	4.7
Tandycrafts	22	5¾	7	1.23	1.10	0.43	16.3
Three D Depts	21	3½	4¼	1.49	1.29	1.07	4.0
Union Metal Manufacturing	21	9¾	11¾	1.49	1.14	1.38	8.5

[1] Net working capital = current assets minus all liabilities and preferred stock. [2] Cohen-Hatfield Industries acquired MacAndrews & Forbes and then changed company name to MacAndrews & Forbes Group. [3] Acquired by Blue Bell @ $30 per common share. [4] Acquired by Shelter Resources Corp @ $11.25 per common share. [5] Name changed from Family Record Plan. [6] Company in process of liquidation; name will be changed to REI Liquidating Corp. [7] Company tendered for its shares @ $11.50 per share; outstanding shares now listed with Pacific Stock Exchange, but stock has not been traded. [8] Public trading of company halted 6/18/80; company paying $9.50 per share for all shares in hands of public. d: deficit. neg: negative.

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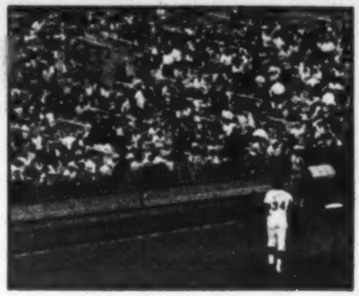

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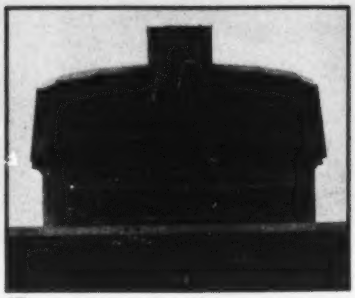

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Why do they go after the oil industry? Because that's where the money is. The pols are swarming around it like flies to spilled honey.

The honey pot

By William Baldwin

THE STATE OF CONNECTICUT thought it found a dandy way of coming up with $60 million of new tax revenues annually: Slap a "gross-receipts" tax on oil companies doing business in the state *and* prohibit them from passing it along to Connecticut customers. Cash for the spenders in the state capital; no pain for the taxpayers. The law was in effect for less than two weeks when a federal judge on July 9 declared the no-pass-through feature unconstitutional. But the game isn't over yet. Tax collectors from Philadelphia to Juneau are busy raiding the oil industry larder, and they see this as only a temporary setback.

Despite the Connecticut decision, New York State is forging ahead with a similar 2% gross-receipts tax. Gasoline taxes are jumping by up to 4 cents a gallon this year in ten states: Alabama, Indiana, Kentucky, Minnesota, Nebraska, New Mexico, South Carolina, South Dakota, Virginia and Wisconsin (*see chart*). The District of Columbia, which already has a 10-cents-a-gallon rate, will subject gas to its 6% sales tax. Oil severance taxes, levied at the wellhead, are going up in Kentucky and New Mexico, and a petition drive is under way to double them in North Dakota. A Maryland legislative committee is trying to figure out how to piggyback on the federal windfall-profits tax.

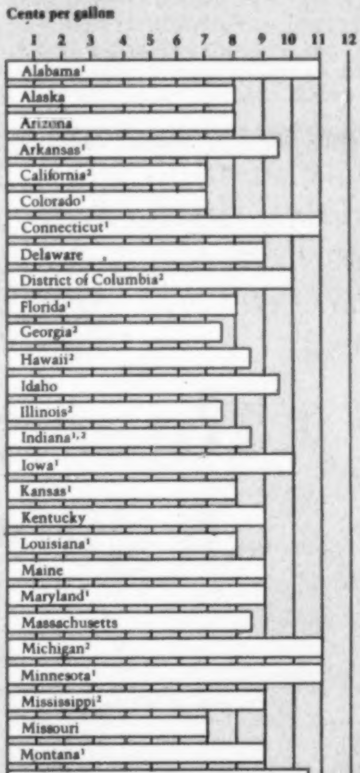
With decontrol of domestic oil under way, first-quarter profits for 25 U.S. oil companies this year totaled $9.6 billion, up 110% from a year earlier. Clearly, as Willie Sutton used to say, that's where the money is. Taxing oil companies could even be considered patriotic: If taxes go up and prices go up, people would use less, cutting down on foreign oil. But the pols in states like Connecticut wouldn't let it work that way: By forbidding the oil companies to pass on the tax, they hoped to slip their hands into the till without the motorist even noticing. Happily, the courts are likely to stop that cute little game.

Meanwhile, jumping on the tax bandwagon, self-appointed consumerists are arguing that since states like Alaska, Texas and Louisiana derive big taxes from revenues from oil, so should other states. "The consuming states are just trying to catch up," Robert M. Brandon of the Washington, D.C.-based Citizen Labor Energy Coalition (CLEC) says glibly. His labor-liberal group plans to promote Connecticut-style taxes in a dozen states next year.

The consumerists look longingly at states like Alaska, whose 1% oil severance tax at the time of the Prudhoe Bay discovery has grown to 12¼%—on top of a 12½% royalty on state leases. Altogether, the oil industry will pour $3.3 billion into the Alaska treasury this year, or $8,000 for every one of the state's 412,000 citizens. There's a big difference, of course. The oil-producing states are taxing their own oil; Connecticut and the other states are trying to tax somebody else's.

Fill 'em up

State governments raised $9.8 billion in motor fuel excises last year, mostly through gasoline taxes. The present bite, state by state:



[1] Tax reduced or eliminated on gasohol.

[2] State also levies a sales tax on gasoline.

Sources: National Conference of State Legislatures, Federation of Tax Administrators.

One possible approach to the oil industry honey pot is through imposing the state corporate income tax under the unitary method—figured on a company's worldwide profits. This neatly avoids "accounting manipulations," says Jonathan Rowe, a tax lawyer who pushes the unitarian philosophy from a Washington, D.C. organization called Citizens for Tax Justice. And while the gross-receipts tax may have problems in the courts, the unitary tax was given a boost in two U.S. Supreme Court decisions this year. Under them, Vermont and Wisconsin got the right to tax Mobil and Exxon, respectively, on such things as dividends from foreign subsidiaries. Crows Rowe: "The states are just waking up to what's going on in this field." CLEC's Brandon sees unitary taxes as a billion-dollar windfall for states that haven't tried it.

The oilmen are running scared. They spent more than $5 million in California this spring to defeat Proposition 11, which would have put a surcharge of 10% on their income taxes. In Philadelphia, Gulf and ARCO are making "donations" to the city treasury of $2.6 million each. It was either that or pay a 10-cents-a-barrel refining tax on nearly 350,000 barrels a day of production.

"The Barbary pirates at work," sighs William Mahoney, an official of the American Petroleum Institute. It wouldn't be so bad if people had faith in the politicians' ability to spend the money wisely—to reduce our dependence on foreign oil, for example. But who believes in that? ■

Washington complains about the lack of regulation in the Euromarkets. That very lack of regulation has helped the world get through two petrodollar recycling crises.

Tinkering with a good thing

By Thomas C. O'Donnell

ANY CURRENCY DEPOSITED outside its country of origin becomes Eurocurrency. If the currency happens to be dollars, then they are called Eurodollars. One big reason there are so many Eurodollars around is that the U.S. has been running giant deficits in its balance of payments for many years, and when dollars flow out of the country and don't come back they change from dollars with a small "d" to Eurodollars. It's as simple as that.

The bureaucrats are dying to get their hands on this vast pool of money. For years the Federal Reserve has tried to convince foreign central banks to impose reserve requirements on the Eurocurrency deposits of banks under their control. And in 1979 Rep. Jim Leach (R–Iowa) introduced a bill that would have done just that, on the offshore deposits of U.S. banks. Fortunately both proposals have come to naught, and are in fact a terrible idea.

The glut of Eurodollars is one of those situations everybody likes to talk about but few people understand. Dennis Weatherstone, third in command at Morgan Guaranty Trust Co., spends much of his time trying to explain Euromarkets to the people who matter. It's not an easy task. What people don't properly understand they tend to fear.

But what about the danger that the Arabs might try to punish the West by pulling their Eurocurrency deposits out of the banks? What about the machinations of multinational companies, quietly shifting their funds from currency to currency? Without the wise guidance of their governments, haven't the banks put themselves and their nations excessively at risk? Weatherstone, an Englishman who won his spurs in Morgan's London office, shakes his head in disbelief at these old wives' tales. Where would the Arab money *go*? If it comes out of one bank, it must go into another.

"Anyone who thinks the Arabs would bury billions under the desert or under their mattresses doesn't understand how the international financial system works," snorts one New York banker. "A bank that suddenly loses deposits could simply buy them back in the Euromarket, something that would raise its cost of funds but not threaten its viability."

Suppose the Arabs put large sums into real estate or gold. The money would eventually flow back into the banking system. Even as a weapon, Eurodollars are double-edged.

Last November the Carter Administration imposed its freeze on Iranian assets because Iran had threatened to pull money out of U.S. banks. It was a clear signal to hostile nations and potentially hostile ones that the U.S. would not sit still and allow anyone to use Eurocurrencies as a political weapon.

So, far from being an uncontrollable monster, the Euromarket is simply the world's largest "free" market, the virtues of which—simplicity, speed and efficiency—bankers never tire of praising. It has worked remarkably well since it sprang up in London in 1957. Money is deposited and lent with little bureaucratic interference, no reserve requirements and no insurance. Thus, loans can be made at rates far below those prevailing in the U.S., the factor accounting for the market's astonishing growth.

Although that growth has topped 25% in recent years, the market is far smaller than is generally estimated. Indeed, if interbank transactions are discounted—as they should be since they are not money—the market totals around $600 billion. But even that figure may be too high. According to the most reliable study to date, completed last year by the Bank for International Settlements, the true size of the market is between $100 billion and $150 billion. Explains Lawrence Kudlow, an economist with Bear, Stearns: "When you create this image of an uncontrollable monster, you create the mechanism by which central banks can get their claws into it."

Originally, dollars were the sole currency in the Euromarket, so the term Eurodollar came into vogue. The dollar still accounts for 80% of the market, with Eurofrancs, sterling, Euroyen and other denominations making up the rest. The various currencies are referred to collectively as Eurocurrency.

There are two major arguments for regulating the market through the imposition of reserve requirements. One is that the present situation leads to unsafe banking by encouraging institutions to make loans they otherwise would not make. The second is that Euromarket trading fuels the world's inflationary fires by creating money.

The first argument would make sense if reserves were the only tool available to regulators. But as Weatherstone points out: "Several major countries don't even use reserves. Instead they rely on open-

AUGUST 18, 1980

TWO DOLLARS

Forbes

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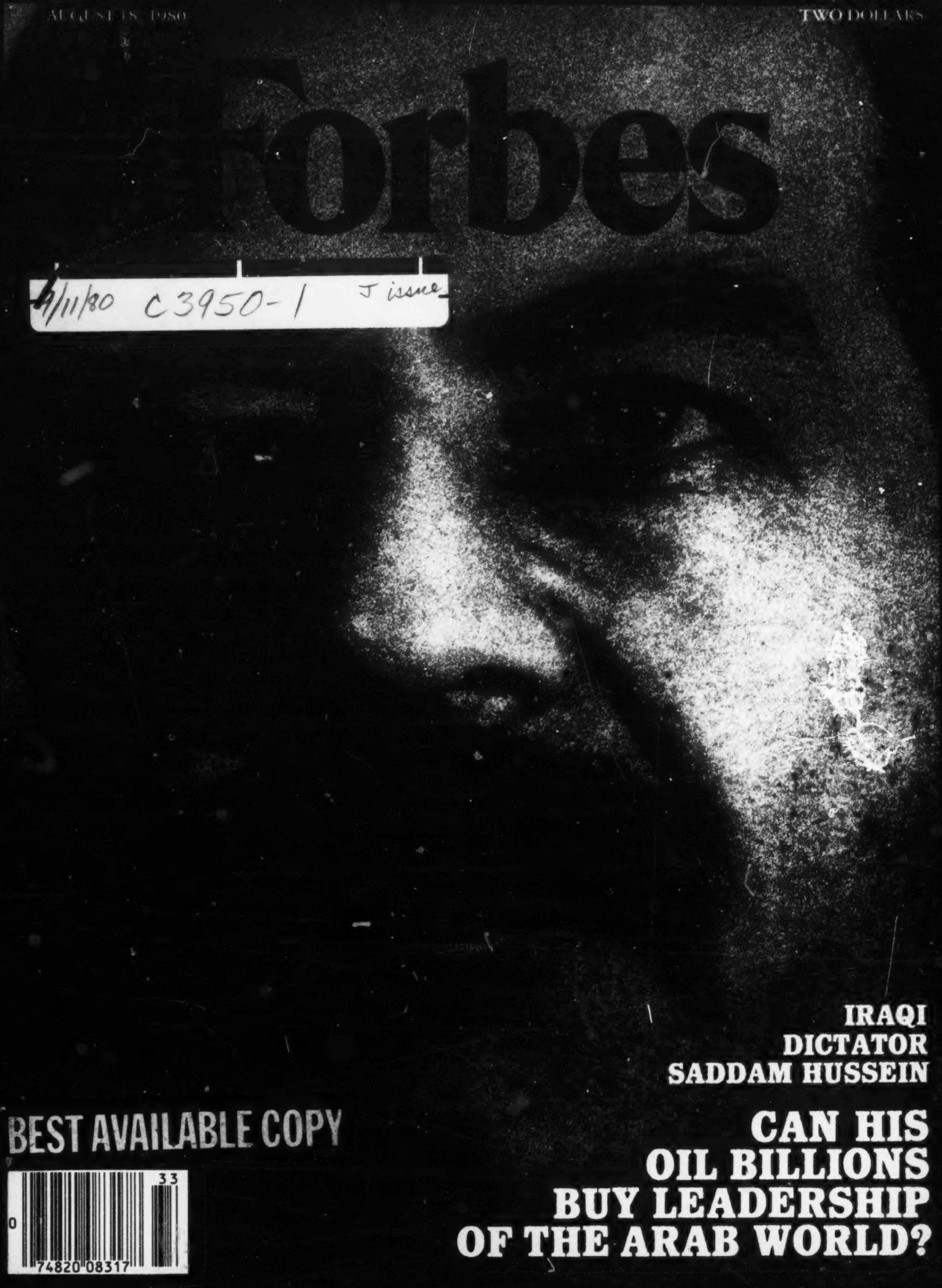

IRAQI DICTATOR SADDAM HUSSEIN

CAN HIS OIL BILLIONS BUY LEADERSHIP OF THE ARAB WORLD?

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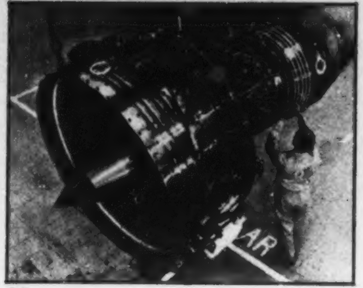

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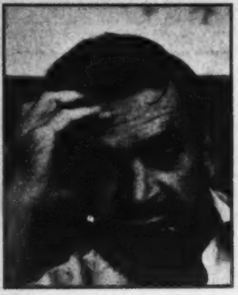

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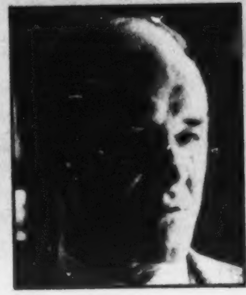

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Five dollars nowadays won't get you a box seat and a bag of peanuts at most ball parks, but it will still buy you one share of common stock in any one of 56 Big Board companies and leave you with change.

Cellar dwellers

To the showers

Losers, yes. Most of the 56 stocks listed below, all selling under $5, are not of institutional quality and cannot be margined. But most of these companies will survive for a comeback in another season.

Company	Recent price	Price range 1970-80	Latest 12-month earnings per share	Price/ earnings ratio	Tangible book value per share[1]	Tangible book/ price	Industry
Institutional Investors Trust	1⅛	19⅞– ⅞ [2]	d $1.36	def	$ 0.11	0.10	Real estate investment trust
Lehigh Valley Industries	1⅛	8½– ½	d 2.38	def	neg	NM	Multicompany
First Pennsylvania Mortgage Trust	1⅜	30⅝–1⅛ [3]	d 1.40	def	0.50	0.36	Real estate
BT Mortgage Investors	1⅞	34⅝–1 [3]	d 0.56	def	1.29	0.69	Real estate investment trust
Southmark Properties	2	39¾–1	d 0.10	def	2.27	1.14	Real estate investment trust
National Homes	2¼	38⅜–1¾	d 0.04	def	4.72	2.10	Building
Winnebago	2¼	48 –1¾	d 0.68	def	3.02	1.34	Mobile homes
GMR Properties	2⅜	21¾–1 [3]	d 0.28	def	2.21	0.93	Real estate investment trust
Mobile Home Industries	2⅜	33¾–1½	0.21	11.3	1.81	0.76	Mobile homes
Itel Corp	2¾	37½–1⅞	d 19.72	def	neg	NM	Leasing
Republic Mortgage Investors	2¾	23⅛– ½	0.10	27.5	4.34	1.58	Real estate investment trust
Ronson	2¾	10⅛–1½	0.07	39.3	4.79	1.74	Electrical equipment
Texfi Industries	2¾	67½–2¼	d 4.31	def	7.71	2.80	Textiles
Pueblo International	2⅞	23¼–2⅛	0.85	3.4	7.02	2.44	Groceries
Arctic Enterprises	3	45½–1¼	d 3.67	def	6.90	2.30	Snowmobiles
GF Business Equipment	3	14⅝–2⅜	d 0.28	def	15.49	5.16	Office equipment
JW Mays	3	32½–2¾	0.08	37.5	13.29	4.43	Retail
ICN Pharmaceuticals	3⅛	36⅞–1¼	d 0.90	def	0.54	0.17	Ethical drugs
Pier 1 Imports	3⅛	30⅞–1	d 1.36	def	0.29	0.09	Retail
South Atlantic Financial	3⅛	25½–1¼	d 1.91	def	3.57	1.14	Real estate investment trust
Tri–South Investments	3⅛	34¾– ½	0.71	4.4	6.28	2.01	Real estate investment trust
Bobbie Brooks	3¼	21½–1	d 1.16	def	7.89	2.43	Apparel
UMET Trust	3¼	33⅜– ⅞	d 0.93	def	1.58	0.49	Real estate investment trust
United Park City Mines	3¼	6½–1⅛	0.13	25.0	3.29	1.01	Mining
Farah Manufacturing	3⅜	49¼–2¾	0.35	9.6	2.61	0.77	Apparel
Midland Mortgage Investors Trust	3⅜	18½–1	1.05	3.2	2.04	0.60	Real estate
Steego Corp	3½	5½–1½	0.66	5.3	6.14	1.75	Auto parts
Superscope	3½	40⅞–3⅛	d 6.71	def	14.74	4.21	Electronics

[1] Source: Standard & Poor's. [2] 8-year price range. [3] 9-year price range. [4] Formerly known as Diversified Mortgage Investors. [5] Latest 13-month earnings.
d, def: deficit. neg: negative. NM: Not meaningful. NA: Not available.

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Excuse us if we drop into sportspage lingo here. It seems appropriate, though, in view of the sporting character of most of these stocks. Why run the list of losers, then? Well, losers can become winners, as every fan of the Houston Astros can testify. A few of these 56 under-$5 stocks almost certainly will become winners. A fair number will if the early summer rally turns into a full-fledged bull market.

The name of the game is leverage: When a cellar-dweller makes its move, a sizable percentage gain results from a surge of just a few points. Stocks selling for under $5 are too risky for most institutional investors and usually cannot be purchased by individual speculators on margin. But when a stock breaks out of its low-price slump it can gain additional price strength from the demand of institutions and margin buyers.

Just a few years ago many of the securities on our roster were real champs. Or at least they looked like champs if you went only by their price momentum. Most of these stocks were selling at earnings and book value multiples that were right out of the ball park. As a group these stocks are now down 36% to 96% from their ten-year highs.

Twelve are real estate investment trusts. Not one of the real estate investment trusts on our list is presently paying out a cent in dividends. The list also contains several companies in the automotive, mobile-home and grocery industries. A turnaround in any of these industries is quite possible.

The cellar dwellers are not income stocks. In fact, only Steego, Adams Drug, Adams-Millis, House of Fabrics and Borman's are currently paying dividends. The Borman's dividend seems to have as much chance of lasting as a tired right-handed relief pitcher facing Reggie Jackson with the bases loaded and no one out in the bottom of the ninth. Unlike Reggie Jackson, Borman's, a grocery chain, earned only 1 cent a share during the last 12 months.

Thirty-two of our cellar dwellers are running in the red and, unless they clean up their acts soon, some of them might be headed back to the minors or released outright. Itel lost $19.72 a share in the last 12 months. Superscope hasn't had a winning quarter since the third quarter of 1977, and American Motors, the smallest domestic automaker, lost almost $85 million in its fiscal third period.

History proves that some of the cellar dwellers will approach their former highs and again become first-division contenders. One thing is certain—you cannot go much lower than the basement. Even a return to book value would represent a sizable appreciation for most of these stocks. White Motor, for example, could double and would still be selling at a 60% discount from book.

Feel like a whirl in stocks like these? A word to the wise then: Buy a batch of them, not just one. For about $5,000 or a bit more, you could buy 100 shares each of 20 of these stocks. Then, if some go bust you will have plenty of others with a chance to bail you out. A dart board is as good a way as any to pick 20. Or, hell, for less than $20,000 you could buy 100 shares each of all 56.—*Steve Kichen*

Company	Recent price	Price range 1970-80	Latest 12-month earnings per share	Price/ earnings ratio	Tangible book value per share[1]	Tangible book/ price	Industry
Telex	3½	31⅞– ⅞	$ 0.08	43.8	$ 3.31	0.95	Computers
Aileen	3¾	29½–1⅜	0.58	6.5	7.76	2.07	Apparel
Arlen Realty & Development	3¾	24¾–1	d 1.42	def	neg	NM	Real estate
Borman's	3¾	14⅝–1⅛	0.01	NM	11.16	2.98	Groceries
North American Mortgage Investors	3¾	36⅜–2⅝	d 0.36	def	5.23	1.39	Real estate investment trust
Adams Drug	3⅞	26¾–1⅜ [2]	0.62	6.3	7.09	1.83	Drugstores
Elixir Industries	3⅞	39 –2	d 0.52	def	8.57	2.21	Mobile homes
Genesco	3⅞	39¾–2⅝	0.37	10.5	neg	NM	Retail
DMI[4]	4	32¾– ⅞	d 0.29	def	7.89	1.97	Real estate investment trust
Berkey Photo	4⅛	26¾–1⅞	0.63	6.5	4.66	1.13	Recreation
Kroehler Manufacturing	4⅛	47¼–3¼	d 13.07	def	14.03	3.40	Furniture
LLC Corp	4⅛	22¾–1½	0.05	NM	3.31	0.80	Finance
Fedders	4¼	50 –2½	d 3.84	def	2.16	0.51	Appliances
Safeguard Industries	4¼	NA	d 0.59	def	5.66	1.33	Auto parts
Sambo's Restaurants	4¼	24¼–2⅝	d 6.26	def	2.47	0.58	Fast foods
National Tea	4⅜	14¾–2	0.84	5.2	7.22	1.65	Groceries
Pamida	4⅜	24⅝–2½	0.37	11.8	7.10	1.62	Retail
White Motor	4⅜	32¼–3¾	d 1.48	def	23.78	5.44	Automotive
F&M Schaefer	4½	59 –2	d 2.32	def	neg	NM	Brewing
Uniroyal	4½	23⅝–3⅛	d 5.22	def	16.89	3.75	Automotive
Chock Full O'Nuts	4⅝	10⅞–1¾	0.88	5.3	3.92	0.85	Fast foods
Jewelcor	4⅝	37⅞–1⅜	0.51	9.1	11.92	2.58	Jewelry
State Mutual Investors	4⅝	28 – ¾ [3]	0.34 [5]	13.6	7.02	1.51	Real estate investment trust
Talley Industries	4⅝	36⅜–4¼	d 1.65	def	10.16	2.20	Precision instruments
Adams-Millis	4¾	19⅝–1¾	0.60	7.9	10.77	2.27	Textiles
American Motors	4⅞	13⅜–3¼	d 1.92	def	14.22	2.91	Automotive
Growth Realty Companies	4⅞	35 – ¾	d 1.15	def	7.22	1.48	Real estate investment trust
House of Fabrics	4⅞	29⅞–3⅜	0.49	9.9	8.89	1.82	Retail

[1] Source: Standard & Poor's. [2] 8-year price range. [3] 9-year price range. [4] Formerly known as Diversified Mortgage Investors. [5] Latest 13-month earnings.
d, def: deficit. neg: negative. NM: Not meaningful. NA: Not available.

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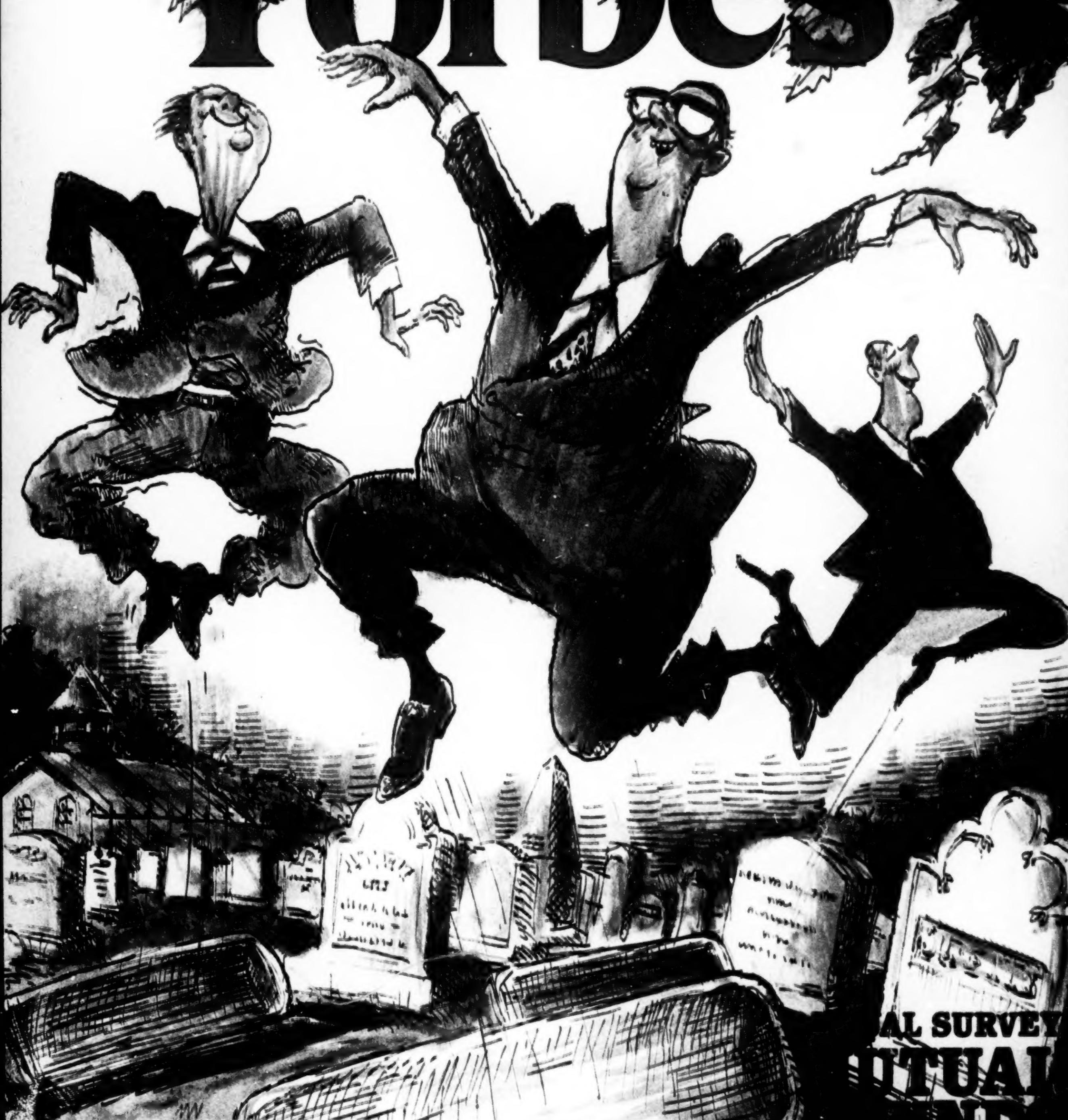
THREE DOLLARS

Forbes



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Most textile and apparel companies will suffer an earnings setback this year. But the setback could be brief, and . . .

How could the stocks be cheaper?

The Streetwalker

WHO WOULD WANT to get into the doggy, herky-jerky textile and apparel business? For all its roller-coastering, several shrewd analysts think it's a smart play. Thanks to the cheaper dollar and to changes in Washington trade policies, the textile balance of payments has improved sharply. Improvement in industry earnings, they reason, should come next.

"Textiles will recover before other cyclicals like steel and tires," predicts Norman Fields of Brean Murray Foster Securities. Fields, a former stock picker for the legendary Jack Dreyfus, likes to buy stocks below book—but only if he foresees near-term earnings gains that could

Rags to riches?

The 35 textile and apparel stocks listed below are of more than passing interest. Twenty-one stocks marked with an asterisk (*) are buys, according to the Graham-Rea computer model. A good number of these 21 meet the "ideal" Graham-Rea criteria of having ratios of 1.00 or less for each: price/tangible book, price/net net current assets per share, total debt/tangible book. Nine of the 21 stocks meet another Graham-Rea criterion in that they have an earnings/price yield greater than 21%—2 times the average rate for AAA industrial bonds.

Company	Recent price	Tangible book value per share	Price/ tangible book value	Price/net net current assets per share[1]	Total debt/ tangible book value[1]	Latest 12-month earnings per share	—Interim earnings— most recent quarter 1980	same period 1979	Price/ earnings ratio	Earnings/ price	Indicated yield	Price range: 1970-80
Adams-Millis*	4⅞	$10.50	0.46	1.44	0.69	$0.60	$0.39	$0.29	8.1	12.3%	4.1%	19⅝– 1¾
Avondale Mills*	19¼	42.62	0.45	1.44	0.60	2.66	1.10	0.69	7.2	13.8	6.2	33¾–15
Belding Heminway	6½	11.10	0.59	1.01	0.67	1.07	0.26	0.33	6.1	16.5	5.5	16½– 3¾
Blue Bell	27¾	28.37	0.98	0.99	0.95	5.54	0.90	1.41	5.0	20.0	6.5	37⅞– 6
Burlington Inds*	21⅞	38.00	0.58	3.58	0.87	3.27	1.01	0.76	6.7	14.9	6.4	49¾–13⅝
Cannon Mills	22⅝	33.78	0.67	1.11	0.28	3.95	0.52	0.85	5.7	17.5	5.3	26½– 8⅝
Champion Products	17⅜	20.35	0.85	1.07	0.93	2.50	0.62	0.51	7.0	14.4	4.1	19⅛– 6⅜
Cluett, Peabody	9¼	20.19	0.46	0.67	1.23	1.74	0.18	0.24	5.3	18.8	7.4	31⅜– 2½
Cone Mills*	39⅝	49.42	0.80	1.55	0.29	8.96	2.51	1.82	4.4	22.6	5.0	40½– 6½
Crompton Co	26⅜	44.34	0.59	0.63	0.78	8.21	2.11	2.47	3.2	31.1	6.8	35¾– 5⅛
Fieldcrest Mills	28⅛	39.73	0.71	4.54	1.04	5.48	0.80	1.49	5.1	19.5	7.1	41⅞– 6½
Garan*	11⅛	15.02	0.74	1.55	0.62	2.01	0.67	0.44	5.5	18.1	7.2	29¾– 4½
Graniteville*	12⅜	22.62	0.55	1.66	0.70	2.52	0.70	0.41	4.9	20.4	8.1	17⅜– 5½
Hart Schaf & Marx*	13⅝	24.70	0.55	0.81	0.72	2.58	0.53	0.51	5.3	18.9	7.3	33⅛– 4⅞
Jaclyn*	5¼	7.83	0.67	0.73	0.30	0.84	0.21	0.23	6.3	16.0	7.6	9¾– 2½
Leslie Fay	7⅜	12.10	0.61	1.04	0.81	0.84	d 0.32	0.26	8.8	11.4	6.5	17⅜– 2¾
Levi Strauss	38⅜	16.50	2.33	3.89	0.93	5.05	1.25	1.10	7.6	13.2	2.9	40½– 3
Mt Vernon Mills*	26⅛	57.80	0.45	1.16	0.50	6.76	1.58	1.82	3.9	25.9	4.6	29¼–10¾
Movie Star	10⅛	19.10	0.53	0.74	0.52	1.62	0.11	0.64	6.3	16.0	5.9	20⅝– 3¼
Munsingwear*	14	29.46	0.48	0.60	1.10	1.20	d 0.76	d 0.49	11.7	8.6	8.6	38¾– 9¾
Olla Industries*	9	16.40	0.55	0.68	0.18	2.05	0.51	0.40	4.4	22.8	4.4	26⅝– 1¼
Oxford Industries	13¼	22.64	0.59	0.94	0.81	1.89	0.66	0.63	7.0	14.3	5.7	34 – 7
Palm Beach	19	14.77	1.29	1.26	2.00	3.36	0.65	0.38	5.7	17.7	6.3	20⅝– 2
Pat Fashions Inds*	7⅜	14.00	0.54	0.43	0.41	2.05	0.57	0.32	3.7	26.9	—	11⅜– ½
Riegel Textile*	20⅝	31.12	0.66	1.68	0.78	4.66	1.23	1.01	4.4	22.6	7.8	22¼– 6⅜
Rospatch Corp*	8¼	14.45	0.57	1.40	0.65	1.94	0.76	0.36	4.3	23.5	7.3	24⅛– 5⅞[2]
Russ Togs*	11	13.57	0.81	1.14	1.02	2.20	0.57	0.50	5.0	20.0	8.0	23⅞– 5½
Salant*	6⅝	15.88	0.42	0.52	2.00	0.89	0.22	0.13	7.4	13.4	6.0	13⅜– 2⅞
Splentex	5⅝	12.56	0.45	0.48	0.09	0.61	0.05	0.07	9.2	10.8	4.3	19¾– 3½
Springs Mills*	17	38.61	0.44	1.27	0.65	3.99	0.87	0.95	4.3	22.5	7.1	20⅞– 8¼
JP Stevens*	15½	36.55	0.42	0.89	1.01	3.42	0.74	0.72	4.5	22.1	7.7	18½– 8¼
Ti-Caro*	27½	33.17	0.83	1.54	0.43	5.47	1.61	1.54	5.0	19.9	7.3	28¾– 6¼[2]
Unitog*	13	27.06	0.48	1.57	0.89	3.15	0.38	0.35	4.1	24.2	6.2	50½– 8¾[2]
West Pt-Pepperell	39⅝	63.88	0.62	1.52	1.04	8.06	2.45	1.91	4.9	20.3	8.1	42½–16¼
William E Wright*	4	8.98	0.45	neg	4.76	0.52	0.29	0.23	7.7	13.0	6.5	26¼– 1¾

* Graham-Rea investment model currently indicates a buy signal. [1] Figures from James Buchanan Rea, Inc. Net net current assets = current assets – total debt. Total debt = current liabilities + long-term debt + minority interest + deferred taxes + unfunded portion of pension liabilities + present value of leasehold commitments + preferred stock. [2] Price range for less than ten years. d–deficit. neg–negative.

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The Streetwalker

at least double the stock's price.

In unlikely agreement with Fields is James B. Rea, one of the last converts of the late Benjamin Graham. The 35 textile and apparel stocks, all statistically cheap in the context of their ten-year price ranges, include 21 picked by Rea as meeting his stiff Ben Graham criteria. All of Rea's selections sell for less than book value and for less than the value of net net current assets. Rea determines so-called net net current assets by subtracting total debt—including minority interest, unfunded pension liability and lease obligations—from current assets. For most of Rea's stocks the total debt is less than the tangible book.

Merrill Lynch Vice President Brenda Gall also sees some investment opportunities in textiles and apparel, but she feels that many of the leading broad-based textile companies have already made most of their upward moves. She thinks (and Fields agrees) that J.P. Stevens is an interesting buy—if it is really settling its interminable war with the unions. But her real favorite over the long term is Levi Strauss because of its dominant market position and potential for further growth.

Fields' favorite, by contrast, is Burlington Industries, for a reason a computer could never fathom: Burlington's book value is understated because of its large amount of Swiss machinery that would cost far more to replace.

The one company that all three pickers like: Cone Mills. With a P/E of 4.4 based on the latest depressed 12 months, Cone Mills is dirt cheap, and the company has shown unusual skill in increasing exports.—*Robert J. Flaherty and Steve Kichen*

If Nalco Chemical could wash away a troublesome lawsuit as effectively—and profitably—as it cleans up sludge and slime, there wouldn't be much that could slow it down.

This, too, shall pass

By Thomas Jaffe

IT ALL BEGAN harmlessly enough. In 1966 Oak Brook, Ill.-headquartered Nalco Chemical Co., at the time a modest-size outfit with $106 million in revenues, acquired Industrial Bio-Test, a much smaller independent research laboratory. Because many of IBT's clients were in chemicals—and therefore potential competitors—Nalco kept the subsidiary at arm's length, even maintaining two different boards.

But in 1976 trouble came from a completely unexpected quarter. It seems the lab, whose total sales for ten years under Nalco were a mere $50 million, had allegedly spent the whole decade improperly conducting some rodent tests. More than 100 customers were involved. Worse, so were scores of products which, based on IBT findings, had been approved by the government during that period and already were on the market.

Thoroughly disenchanted, Nalco starting selling off IBT in 1978 and took a $13 million writeoff. But its troubles were just starting. First, Syntex shareholders charged in a class action that the price of Syntex stock had dropped because one of the company's drugs had been improperly tested. IBT settled that one for $1.8 million, covered by the writeoff. Since then, four other suits have been filed by complainants, including the likes of Ciba-Geigy and Sandoz. These were against *Nalco* and IBT. They are still pending, and although they are not in the billion-dollar class—alleged damages come to at least $30 million—how many other ex-IBT clients are out there, waiting to see how things come out?

Tex Collins of Nalco Chemical
Let the lawyers haggle.

"I wish it would all just go away," says Nalco CEO Orell (Tex) Collins wearily, "but it's not going to. We don't feel liable, though, and we'll fight like hell to prove it."

The stock market noted the potential impact of a nasty damage award on earnings. The stock (19.9 million common shares outstanding) recently broke through its 1973 high of 41¾ and reached 44¾. That's a multiple of 13 and no insult. But compared with the 15 and 16 multiples carried by its smaller, slower growing competitors Betz Laboratories and Petrolite, it's a sign of caution.

While lawyers haggle, all Tex Collins can do is keep the company running as successfully as he can. So far, that's been successful indeed. The world's largest direct marketer of specialty chemicals for industrial water treatment, it is also the second-largest supplier of specialty chemicals for the oil production and refinery industries. Since 1970, revenues have more than tripled to $579 million last year while earnings nearly quadrupled, to $63 million. That's compounded growth in excess of 15%. All the while, net margins held steady at around 11%. With average return on total capital at 23.9% since 1975, the company ranks first on the FORBES table of 16 specialty chemical manufacturers. And there's virtually no long-term debt.

Collins, a native Kentuckian who picked up his nickname as a youngster ("With a first name like mine, what the hell else were they going to call me?"), is a 6-foot-3, 200-pound Purdue mechanical engineering graduate who started as a company sales representative 24 years ago. As Nalco's boss since 1979, he really is running a sort of super janitor service for industry. The company's more than 1,200 salesmen and 250-man marketing staff are all experts on the specialty chemical needs of a dozen different businesses. They analyze a customer's problem, prescribe the solution drawing upon Nalco's 1,500-strong product line. The field man then trains that client's employees to use everything from corrosion inhibitors, antifoams and defoulants to

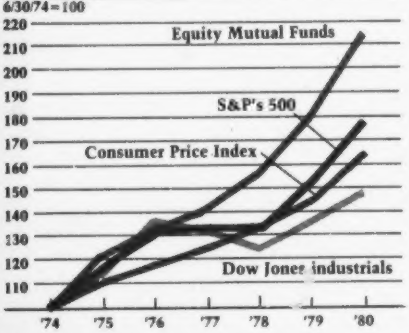
Why is this man smiling?

"Performance good, sales lousy," FORBES reported a year ago in its annual survey of mutual fund performance. Since then performance has gotten even better and, after a decade-long spell of indifference, if not something like hostility, investors seem to be noticing.

By Carol E. Curtis

ANY SALESMAN WORTH HIS DRAW can prove that there were worse things to have done with money than putting it into mutual fund shares, even in the toughest of times the stock market saw in the Seventies. The folks who buy common stock mutual funds, though, have been acting otherwise for a very long time. Rarely in the past ten years, as the monthly figures appeared, did the money coming in from the sale of new shares exceed the money being pulled out through the redemption of old shares. In 1979 alone redemptions of stock funds exceeded sales by more than $2.6 billion.

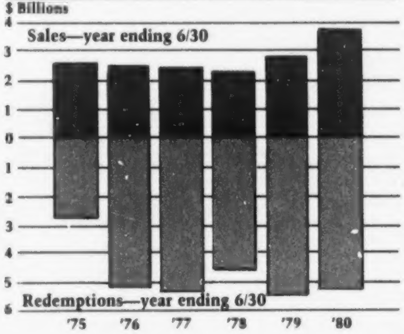
Investor sentiment has been changing fast. In April the sale of mutual fund shares (*not* counting the money market funds) edged past $1 billion for the first time in history. May was even better (nearly $1.2 billion) and June better still ($1.8 billion). Redemptions, meanwhile, were still high, but clearly on a plateau *(see chart)*. As a result, mutual funds have lately been taking in new money at a rate not seen since their palmiest days in the late 1960s—$248 million in net new money in April, $523 million in May, nearly $1 billion in June.



Note: Figures are for 6/30 of each year.
Sources: Lipper Analytical Services; Bureau of Labor Statistics

Performance and payoff

Stock funds have recovered handsomely from their 1974 recession low, outpacing even the cost of living index, and sales of new shares have clearly turned up. Redemptions of old shares, while still high, seem to be slowing a bit.



Note: Figures are for equity funds only.
Source: Investment Company Institute

For people in the business long enough to remember the good old days, there was even some cheer in the sales record of stock funds, the funds that hemorrhaged most in the past ten years. For the first six months of 1980, their sales soared to $2.3 billion, the highest level since 1971, 50% higher than in the first half of 1979. Given the performance of many stock funds since the recession lows of the mid-1970s, it was possible for people in the business to believe that cause and effect was at work here. Says Howard Stein, chairman of The Dreyfus Corp., the biggest family of funds in the business, with $12 billion in assets under its management: "People are finally realizing that common stocks *do* work for them."

It may be a bit too soon to bet on that. Thanks largely to the mutual fund industry's own inventiveness, investors have been able to see that other kinds of fund shares can work for them, too. The phenomenal popularity of money market funds, for example, continues almost unabated. No sooner did the Federal Reserve impose a 15% reserve requirement on new assets in March, seeking to end the torrent of cash flowing into them, than Howard Stein devised a clone for his Liquid Assets Fund, dubbed it Liquid Assets II and, despite the lower yield caused by the reserve requirement, kept taking in new cash. With the lifting of the Fed's constraints in July, shareholders in Liquid Assets II had their money switched into the original. The money market funds as a group had $76 billion in assets as of June 30, compared with $26 billion the year before.

Nor were money market funds the only phenomenon. Only yesterday, it seems, scarcely anyone had heard of mutual funds specializing in *short-term* municipals. In June of this year alone, investors bought almost a billion dollars of the stuff—$854 million, to be precise. The problem they were designed to meet was formidable—how to protect investors who like the idea of tax-free bond interest but who have no stomach for the recent ups and downs of the bond market. The simple solution—invest shareholders' money in tax-free issues with short maturities. For example, Boston-based Fidelity Tax-Exempt Money Market Trust's bond portfolio had average maturities of 106 days early in August. The yield was just 4.19% at a time when conventional tax-exempt bond funds were yielding 7% to 8%. Nevertheless, it offered far greater protection of principal and, to a high-bracket taxpayer, a yield equivalent to that offered by the money market funds. Within six months of its being set up, Fidelity Tax-Exempt Money Market Trust had over $400 million in its care. Pittsburgh-based Federated Tax-Free Trust, set up in March 1979, managed $647 million.

The ability to keep coming up with new solutions to new problems has given the mutual fund business a shape that no one could have foreseen a generation ago. In 1956, in its first annual survey of the field, FORBES rounded up the performance of some 183 funds with assets totaling $8.5 billion. Around 61% of the money was in common stock funds. In the tables beginning on page 75 of this issue the performance of 652 funds, with total assets of $120 billion, is measured. Stock funds have just 28% of the assets. Nearly half (49%) of the total is now parked in the money market funds.

Few would argue that money market funds are the best place for capital over the long haul. When yields were peaking earlier this year, so was the inflation rate. Even the best-managed money market funds could do no more than keep their investors a point or two ahead.

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Chairman Howard Stein of Dreyfus Corp.
No need for brooding overmuch.

Nor is there much of a case that tax-exempt bond funds, however short or long the maturities, will provide a graceful way to grow old. Ex nuclear holocaust, there will still be a case to be made for stocks. The fact that many thousands of investors now have gotten their first experience with mutual funds through money market and tax-exempt shares—and have lived to tell about it—is all to the good as far as some fund executives are concerned. "All kinds of people who never had more than a bank account got into money market funds," notes the head of one large fund. "Now, they're beginning to look around and say, 'What else can I do with the money?' "

The story that fund salesmen have to tell sounds better now than it has in years. Since the 1974 recession lows, the common stock fund average has risen 115%, twice the gain of the Dow Jones industrial average, more than one-third better than the broader Standard & Poor's 500 index and almost double the rise in the Consumer Price Index (66%).

How well the funds will be able to motivate distributors and their sales forces to spread the good word is another matter. Just about gone—and good riddance—are some of the more powerful motivators of the 1950s and 1960s. The front-end load, ten-year contractual plan, for example. If a plan committed a small investor to pay in, say, $50 a month for ten years, the total commission (typically 8.5%) would come to $510 of the $6,000 to be invested. The beauty part of the front-end load was that the salesman

[redacted]

Thomas McInerney of E.F. Hutton
The right time for "aggressive" effort.

could get 40% of his total commission in the first year. Of the first $600, the salesman would get $224 and the remaining $376 would start working for the investor. The justification for the front-end load was that it was a splendid "discipline" encouraging the investor to complete his ten-year plan. In their eagerness to push contractuals, salesmen were known to sign up even elderly people whose chances of living that long were slight. Such incentives are gone, as are many of the men who once enjoyed them.

Adding to the stock funds' sales problems, of course, is the thriving presence of the no-loads, offering all the classic virtues of a mutual fund investment—diversification of risk, professional management, convenience—without the sales charge. Performance? Year after year, the Forbes survey has found no basis for thinking load funds do better than no-loads, or vice versa. This year as last, one-third of the funds that made Forbes' honor roll *(see p. 72)* were no-loads. Once not much more than a trace element in the business, the no-loads now have about 25% of all stock fund assets and, significantly, they accounted for a large portion—some 43%—of all stock fund sales in recent months, without the aid of salesmen and brokers pushing their wares on commission.

It will be interesting to see how all this works out for the stock funds—with scars of the mauling that investors took in the mid-Seventies fading, a good performance story to tell and inflation still the prudent investor's greatest enemy.

1980 Honor Roll

The 19 funds listed below are the cream of the crop when it comes to consistently superior performance. Regular followers of our honor roll will find many familiar names.

Making this year's honor roll was as difficult as 1-2-3. A fund must have:

1) achieved an average annual total return of at least 8% over the period from Nov. 29, 1968 to June 30, 1980. Funds that were not available to the public for the entire period and funds that did not have total assets of at least $2 million over the period were not eligible.

2) been among the top 50% of all stock or balanced funds for *both* up markets and down markets. In other words, it must be rated at least B for up markets and C for down.

3) been in the first quartile of stock or balanced funds for *either* up or down markets. That is, it must be rated at least A for up markets or B for down.

FORBES' rating system is explained on page 74.

Name	Type	Ratings		Average annual total return 1968-80	Total assets (mil)
		up markets	down markets		
Diversified stock funds					
AMCAP Fund (2) •	load	A+	B	8.4%	$132.9
Charter Fund (3) •	load	A+	A	12.2	25.3
Founders Special Fund (3) •	no-load	A	A	10.7	18.7
General American Investors (3) •	closed-end	A+	C	8.1	162.5
Guardian Mutual Fund (5) •	no-load	B	B	8.6	151.0
Madison Fund (2)	closed-end	B	B	9.3	547.1
Mathers Fund (3) •	no-load	A+	C	9.5	159.8
Mutual Shares (5) •	no-load	B	A	12.1	108.7
Niagara Share Corp (3)	closed-end	A	C	8.5	149.9
Over-The-Counter Securities Fund (1)	load	B	A+	12.0	36.2
Petroleum & Resources Corp (4)	closed-end	A+	B	13.1	244.8
Philadelphia Fund (2) •	load	A	C	8.1	99.5
Pioneer Fund (6)	load	B	B	8.7	800.1
20th Century Select Investors (3) •	no-load	A	A	11.0	7.6
Weingarten Equity Fund (1)	no-load	A+	C	8.7	30.4
Balanced fund					
Kemper Total Return Fund (6) •	load	A+	C	9.1	55.6
Funds for investing abroad					
ASA Limited (2)	closed-end	B	A+	22.8	649.0
International Investors (1)	load	B	A+	21.0	247.3
Templeton Growth Fund (7) •	load	A	A+	18.9	415.0

Note: Number in brackets is number of times on honor roll. • On 1979 list.

Cautious about the outlook for stock funds is A. Michael Lipper, president of Lipper Analytical Distributors, Inc., which tracks mutual fund performance. "No-load sales depend on a literate population," Lipper points out, with no wish to sound cynical, "and I don't see enough peddlers to start the flow of big money again."

Decidedly optimistic, in contrast, is Thomas McInerney, the indomitably cheerful vice president of mutual fund sales at E.F. Hutton. McInerney says his sales force of 3,500 in 235 offices in the U.S. and 14 abroad has been "aggressively" selling fund shares for around two years. He is convinced that his timing is right. A special E.F. Hutton study of investors, he says, showed that 83% of the firm's money market customers were new to the firm and that almost 75% of the money leaving money market funds was winding up in other Hutton products, including stock funds. Other stockbrokers are showing revived interest in pushing them, including Bache, Paine Webber and, needless to say, Merrill Lynch, which once upon a time flatly refused to handle them.

The fund managers pretty well know who the people are who have been cashing in old shares to the tune of $700 million or so per month. Some are people who were planning for retirement and had been putting by just for this purpose now. Others bought high years ago, refused to take their losses when net asset values per share went to hell and, now that values are climbing back to what they paid, can't wait to get their money out and kiss it.

But the managers do not seem too sure—apart from the good that exposure to the money market funds seems to be doing them—who their best new prospects might be and how they might best be reached at a sensible price. Chances are that they will resolve their doubts by trying everything they can think of. Not for Howard Stein, for example, is it necessary to brood overmuch about what the no-loads might do to him. The Dreyfus family now includes both load funds (its big common stock fund, the Dreyfus Fund, and the Dreyfus Leverage Fund) and no-loads (among them Liquid Assets, Number Nine and Third Century). There was a time when that would have been as impossible to imagine as thinking of cattle ranchers and sheepherders in the same family.

There are funds now, it would seem, for every conceivable taste and need. After 24 years of measuring the industry's ups and downs, FORBES has no reason to doubt that mutual funds make sense for investors who lack the time and the information to make their own investment decisions. What funds in particular? That is the purpose of the tables that follow. ■

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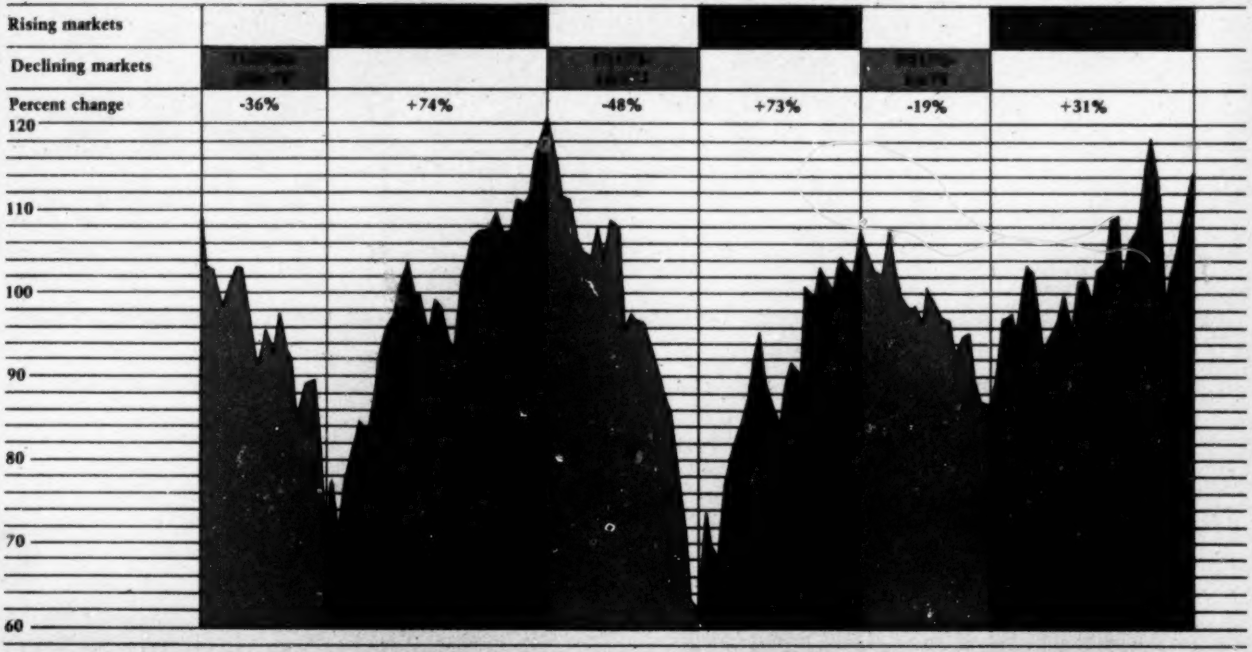
The Ups...the Downs

Here, on Standard & Poor's Stock Average, are the market segments against which FORBES measures mutual fund performance.



Fund Ratings

How FORBES rates the funds

What the ratings mean

FORBES rates mutual funds on the basis of their performance in each of three rising markets and three declining markets. To get a high score, a fund must perform consistently well in all three up or down periods.

Adjustments in the calculations prevent an exceptional performance (good or bad) in any one period from having an undue influence on a fund's average performance—calculated separately for up markets and down markets. For up markets, the 12.5% of all funds with the highest adjusted averages are initially awarded an A+ rating, the next 12.5% get an A, the next 25% B, the following 25% C and the lowest quartile D. For down markets, the ratings range from A to F, with an occasional A+ awarded for outstanding performance. In both up-market and down-market ratings, downward adjustments are made to the initial grades where performance in the most recent of the three periods has been substantially below the average of all three. Thus the breakdown of final grades is skewed somewhat from the distribution described.

Explanation of column headings

The performance ratings are based on the following up markets and down markets:

Up markets:	Down markets:
May 26, 1970 to Jan. 11, 1973	Nov. 29, 1968 to May 26, 1970
Oct. 3, 1974 to Sept. 21, 1976	Jan. 11, 1973 to Oct. 3, 1974
Mar. 6, 1978 to June 30, 1980	Sept. 21, 1976 to Mar. 6, 1978

In the Investment Results section, the average annual total return covers the period Nov. 29, 1968 to June 30, 1980; the latest 12 months is the period from June 29, 1979 to June 30, 1980.

In determining performance ratings and the latest 12 months' return from capital growth, capital gains distributions have been reinvested but income dividends have not. The average annual total return for 1968-80 reflects reinvestment of *all* distributions. Results are based on initial investments at net asset value and do not allow for sales charges. Returns reported for closed-end investment companies may differ from those actually experienced by investors because such funds are not purchased (or sold) at net asset value but at a market price that may represent a premium over or discount from net asset value. The premium or discount as of June 30, 1980 is reported in a separate column.

Return from income dividends is based on the June 30, 1980 net asset value and the income payout for the preceding 12 months. For closed-end investment companies, market price is used instead of net asset value.

Annual expenses include management fees and operating expenses as a percentage of average net assets.

FORBES fund averages

The FORBES Stock Fund Average and the FORBES Balanced Fund Average represent the performance of a select group of the largest funds in each category. They may not be representative of the average for all funds in their respective groups.

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1980 Fund Ratings

Performance Ratings			Investment Results						
				Latest 12 Months		Total Assets			
In UP Markets	In DOWN Markets		Average Annual Total Return 1968–80	Return from Capital Growth	Return from Income Dividends	6/30/80 In Millions	% Change 1980 vs. 1979	Maximum Sales Charge	Annual Expenses Per $100
—	—	**Standard & Poor's 500 Stock Average**	**4.5%**	**11.0%**	**5.2%**				
C	D	**FORBES Stock Fund Average**	**3.5%**	**11.8%**	**4.2%**				
		STOCK FUNDS (LOAD)							
C	D	**Affiliated Fund**	6.4%	13.8%	5.7%	$1,570.9	5.7	7.25%	$0.41
A+	B	**AMCAP Fund**	8.4	29.3	2.4	132.9	79.1	8.50	0.89
•D	•A	**American Birthright Trust**	—*	33.6	none	73.2	75.1	8.50	1.50
B	F	**American General Enterprise Fund**	1.3	46.1	0.9	500.5	215.2	8.50	0.99
•A	•C	**American General Venture Fund**	—*	23.6	3.9	19.8	30.3	8.50	1.10
C	A	**American Growth Fund**	7.5	29.9	3.9	22.3	26.7	7.25	1.47
C	B	**American Insurance & Industrial Fund**	8.7	11.6	6.0	14.3	10.0	8.50	1.00
D	•D	**American Leaders Fund**	—*	8.0	5.1	47.9	–9.1	6.50	1.36
C	B	**American Mutual Fund**	7.6	10.7	4.8	389.2	13.3	8.50	0.57
B	C	**American National Growth Fund**	6.4	10.3	4.6	40.8	27.5	8.50	0.84
D	F	**Anchor Growth Fund**	–2.0	9.6	3.1	129.5	–9.8	8.50	0.72
D	C	**Axe-Houghton Stock Fund**	2.8	21.0	2.3	74.3	11.4	8.50	0.93
B	•D	**BLC Growth Fund**	—*	9.6	2.6	10.4	8.3	8.50	0.99
D	•B	**BLC Income Fund**	—*	2.8	6.1	12.4	4.2	8.50	0.98
C	F	**Boston Mutual Fund**	0.3	3.9	3.7	4.0	2.6	8.50	1.00
C	C	**Broad Street Investing Corp**	6.5	10.4	5.2	322.0	1.2	7.25	0.51
B	D	**Brown Fund**	3.1	25.1	1.7	3.4	3.0	7.25	1.46
C	D	**Bullock Fund**	5.2	12.5	4.2	133.1	–2.3	8.50	0.79
C	D	**The Cardinal Fund**	3.2	9.1	3.9	12.9	3.2	8.50	0.99
B	D	**Century Shares Trust**	5.3	2.6	4.6	64.9	–6.2	7.25	0.60
B	F	**CG Fund**	4.0	14.0	3.6	118.2	0.2	7.50	0.71
A+	A	**Charter Fund**	12.2	32.6	2.7	25.3	43.8	8.50	1.43
A	F	**Chase Frontier Capital Fund of Boston**	–2.3	30.2	1.5	12.9	7.5	8.50	1.48
C	F	**The Chase Fund of Boston**	–2.9	13.0	4.4	23.1	–11.5	8.50	0.97
A+	•F	**Chase Special Fund of Boston**	—*	36.3	1.2	11.2	14.3	8.50	1.46
B	C	**Chemical Fund**	4.8	16.3	3.0	860.4	12.4	8.50	0.66
B	F	**Colonial Growth Shares**	0.9	25.4	2.4	60.3	8.8	8.50	1.14
C	F	**Common Stock Fund State Bond & Mortgage Co**	1.7	15.1	2.5	32.1	–1.5	8.50	1.24
D	D	**Commonwealth Fund Indenture Trust Plans A & B**	2.0	14.6	8.1	10.8	–7.7	7.50	0.49
D	C	**Commonwealth Fund Indenture of Trust Plan C**	3.5	10.0	7.5	35.2	0.0	7.50	0.75
D	D	**Composite Fund**	2.5	14.4	3.5	21.4	–5.3	7.00	0.95
A	B	**Comstock Fund**	7.9	26.8	3.9	128.5	21.6	8.50	0.91
C	C	**Corporate Leaders Tr Fund Certificates, Series "B"**	5.6	14.5	6.1	46.3	6.4	†	0.13
C	D	**Country Capital Growth Fund**[1]	1.7	11.8	3.1	40.4	2.8	7.50	0.84
D	C	**Decatur Income Fund**	7.4	13.7	5.5	290.7	17.5	8.50	0.79
C	D	**Delaware Fund**	4.1	13.7	4.3	237.3	–6.2	8.50	0.80
C	D	**Delta Trend Fund**	-1.3	20.4	1.8	8.1	2.5	8.50	1.60
D	C	**Diversified Fund of State Bond and Mtge Co**	5.1	11.6	4.2	6.3	8.6	8.50	1.08
D	D	**Dividend Shares**	4.2	4.4	5.2	247.5	–4.2	8.50	0.79
C	C	**The Dreyfus Fund**	4.6	16.4	4.0	1,512.2	4.6	8.50	0.80
B	•C	**The Dreyfus Leverage Fund**	—*	26.4	2.6	316.3	16.1	8.50	1.00
		Eaton & Howard Funds							
A+	F	**Growth**	1.4	26.9	1.0	30.0	7.5	7.25	1.03
C	F	**Special**	–2.9	14.2	1.5	15.0	–4.5	7.25	1.30
D	F	**Stock**	0.2	13.4	3.9	77.5	–4.1	7.25	0.72
B	F	**Fairfield Fund**	0.0	22.6	3.2	24.0	–0.8	8.50	1.14
•B	•B	**Fidelity Destiny Fund**	—*	9.9	3.2	157.5	29.4	‡	0.80
B	•F	**First Investors Discovery Fund**	—*	–4.5	2.1	4.2	–12.5	8.50	1.50
D	C	**First Investors Fund**	2.4	–6.8	10.3	12.2	–18.1	8.50	1.17
A	F	**First Investors Fund for Growth**	1.5	22.1	2.1	60.1	3.1	8.50	1.02
D	B	**First Investors Option Fund**	2.2	9.5	5.6	41.5	418.8	7.25	1.37
D	C	**Founders Mutual Fund**	3.2	6.0	4.8	126.4	–4.9	8.50	0.51

• Fund rated for two periods only; maximum allowable rating A. * Fund not in operation for full period. † Fund not currently selling new shares; existing shares traded over-the-counter. ‡ Available only through contractual plan. [1] Formerly Country Capital Investment Fund.

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1980 Fund Ratings

Performance Ratings			Investment Results						
				Latest 12 Months		Total Assets			
In UP Markets	In DOWN Markets		Average Annual Total Return 1968–80	Return from Capital Growth	Return from Income Dividends	6/30/80 In Millions	% Change 1980 vs. 1979	Maximum Sales Charge	Annual Expenses Per $100
—	—	**Standard & Poor's 500 Stock Average**	4.5%	11.0%	5.2%				
C	D	**FORBES Stock Fund Average**	3.5%	11.8%	4.2%				
		STOCK FUNDS (LOAD)							
		Franklin Custodian Funds							
A	F	**Dynatech Series**	–0.4%	19.4%	1.5%	$ 11.3	11.9	7.25%	$1.21
C	D	**Growth Series**	1.4	0.8	1.6	7.4	–17.8	7.25	1.10
D	B	**Utilities Series**	1.4	–3.0	8.4	10.6	–1.9	7.25	1.20
D	B	**Freedom Fund**	3.9	5.4	5.9	13.4	–13.0	8.50	1.28
D	D	**Fund of America**	1.1	26.8	4.0	85.5	92.6	8.50	0.96
A+	•D	**Fund of the Southwest**	—*	34.1	2.5	2.4	14.3	7.50	1.00
D	D	**Fundamental Investors**	1.4	6.6	4.8	364.7	–11.9	8.50	0.64
C	B	**Growth Fund of America**	3.4	24.4	1.2	87.9	21.8	8.50	0.89
D	F	**Hamilton Funds**	1.8	6.4	4.6	266.8	–12.0	8.50	0.94
B	•F	**Hamilton Growth Fund**	—*	26.6	3.7	25.3	2.9	8.50	1.50
B	F	**John Hancock Growth Fund**	–0.2	28.8	1.2	29.8	10.4	8.00	1.12
•B	•D	**IDS Growth Fund**	—*	37.7	1.6	134.3	56.5	8.00	0.62
A	F	**IDS New Dimensions Fund**	3.3	27.5	2.5	167.1	1.8	8.00	0.67
B	•F	**IDS Progressive Fund**	—*	9.2	2.9	98.1	–17.2	8.00	0.80
B	D	**Independence Fund**	0.2	20.4	3.8	12.8	–2.3	8.50	1.38
C	D	**Industries Trend Fund**	1.1	5.1	6.1	42.0	–11.0	2.50	1.02
C	C	**The Investment Co of America**	6.1	8.0	4.0	1,455.2	6.5	8.50	0.46
C	C	**Investment Trust of Boston**	4.6	20.6	2.9	62.1	24.0	7.25	1.06
C	B	**Investors Research Fund**	6.1	13.1	2.3	12.0	12.2	8.50	1.06
C	D	**Investors Stock Fund**	3.0	6.8	5.1	1,459.1	–10.6	8.00	0.51
B	F	**Investors Variable Payment Fund**	0.9	10.0	3.7	372.0	–12.7	8.00	0.61
D	B	**ISI Growth Fund**	2.0	–0.3	6.1	14.6	–8.8	8.50	1.20
D	A	**ISI Income Fund**	4.3	1.3	10.9	10.7	–11.6	8.50	1.02
•D	•A	**ISI Trust Fund**	—*	1.3	8.2	125.0	–9.8	8.50	0.73
•C	•D	**JP Growth Fund**	—*	9.2	4.6	18.6	9.4	8.00	0.77
A	C	**Kemper Growth Fund**	6.7	28.5	2.9	139.7	21.7	8.50	0.76
A+	•C	**Kemper Summit Fund**	—*	26.2	2.4	45.6	11.2	8.50	0.93
		Keystone Custodian Funds							
C	F	**K-2**	2.1	12.0	4.5	110.8	–3.9	8.50	0.63
C	D	**S-1**	2.6	6.1	4.6	68.8	–3.4	8.50	0.64
B	F	**S-3**	3.6	11.6	5.7	100.8	6.2	8.50	0.64
A+	F	**S-4**	0.8	30.4	1.8	448.2	8.2	8.50	0.63
B	C	**Life Insurance Investors**	5.6	–4.6	4.0	59.6	–12.6	8.50	0.62
B	•F	**MagnaCap Fund**	—*	10.0	5.3	5.6	0.0	7.25	1.76
C	D	**Horace Mann Fund**	3.9	14.8	2.7	63.9	1.1	7.50	1.08
•B	•C	**Massachusetts Capital Development Fund**	—*	41.5	2.7	65.4	183.1	7.25	0.83
•B	•D	**Massachusetts Financial Development Fund**	—*	28.3	2.6	128.8	46.0	7.25	0.91
B	F	**Massachusetts Investors Growth Stock Fund**	3.0	21.9	2.5	700.7	6.3	7.25	0.53
D	C	**Massachusetts Investors Trust**	3.4	12.7	4.7	1,102.6	0.5	7.25	0.48
D	D	**Midamerica Mutual Fund**	1.4	10.4	5.8	35.7	2.6	8.50	0.80
D	C	**MIF Fund**	3.7	1.0	5.5	207.1	–11.9	7.50	0.71
C	F	**MIF Growth Fund**	0.8	4.8	3.1	27.3	–7.8	7.50	0.82
•C	•F	**The MONY Fund**	—*	9.7	3.7	11.3	–0.9	8.50	1.00
D	D	**Mutual of Omaha Growth Fund**	0.5	9.2	4.5	13.5	–9.4	8.00	1.27
A	D	**National Investors Corp**	4.5	16.0	2.3	672.4	17.6	7.25	0.52
		National Securities							
D	F	**Growth Fund**	–0.9	10.0	3.1	91.9	–9.3	7.25	0.76
D	C	**Stock Fund**	5.3	9.9	4.8	226.1	–2.7	7.25	0.71
C	C	**NEL Equity Fund**	6.[illegible]	9.8	4.3	9.1	5.8	8.00	1.05
A	C	**NEL Growth Fund**	5.2	24.3	2.1	26.1	18.1	8.00	0.87
•C	•F	**NEL Retirement Equity Fund**	—*	15.3	2.8	44.5	5.5	8.00	0.68
A	•C	**New York Venture Fund**	—*	26.7	2.3	52.2	27.9	8.50	1.06

• Fund rated for two periods only; maximum allowable rating A. * Fund not in operation for full period.

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1980 Fund Ratings

Performance Ratings			Investment Results						
				Latest 12 Months		Total Assets			
In UP Markets	In DOWN Markets		Average Annual Total Return 1968–80	Return from Capital Growth	Return from Income Dividends	6/30/80 In Millions	% Change 1980 vs. 1979	Maximum Sales Charge	Annual Expenses Per $100
—	—	**Standard & Poor's 500 Stock Average**	**4.5%**	**11.0%**	**5.2%**				
C	D	**FORBES Stock Fund Average**	**3.5%**	**11.8%**	**4.2%**				
		STOCK FUNDS (LOAD)							
D	C	**Old Dominion Investors' Trust**	4.7%	6.8%	9.0%	$ 3.5	6.1	1.00%	$1.08
A	C	**Omega Fund**	5.8	20.3	0.8	29.9	9.5	†	1.43
A+	•F	**Oppenheimer A I M Fund**	—*	36.1	1.9	181.0	19.2	8.50	1.09
B	F	**Oppenheimer Fund**	2.8	32.1	2.1	322.0	7.9	8.50	1.02
•A	•D	**Oppenheimer Time Fund**	—*	29.0	2.6	76.5	12.0	8.50	1.14
B	A+	**Over-The-Counter Securities Fund**	12.0	31.8	2.0	36.2	72.4	8.00	1.10
A+	•C	**Pace Fund**	—*	27.7	3.2	19.2	3.8	8.50	1.12
D	B	**Paramount Mutual Fund**	7.9	3.9	4.1	9.9	–1.0	8.50	1.52
A	C	**Philadelphia Fund**[2]	8.1	19.6	3.5	99.5	7.9	8.50	0.95
•D	•C	**Phoenix Capital Fund**	—*	26.9	3.4	10.2	24.4	8.50	1.27
A	C	**Pilgrim Fund**	4.6	18.2	3.4	21.0	22.1	7.25	1.51
B	B	**Pioneer Fund**	8.7	15.4	3.4	800.1	27.6	8.50	0.70
B	•A	**Pioneer II**	—*	11.8	3.6	245.6	48.0	8.50	0.81
C	D	**Pligrowth Fund**	3.6	22.2	3.2	19.6	10.1	8.50	1.24
B	B	**Plitrend Fund**	7.5	10.6	2.8	17.5	11.5	8.50	1.32
A	•F	**Progress Fund**	—*	20.4	1.4	4.5	4.7	8.50	1.22
		Putnam Funds							
C	C	**Growth**	5.5	18.4	4.5	626.9	8.5	8.50	0.61
B	D	**Investors**	6.4	12.1	3.8	446.8	7.2	8.50	0.62
A	F	**Vista**	2.5	18.7	3.8	59.1	5.5	8.50	1.06
A	•C	**Voyager**	—*	21.2	3.9	65.8	26.5	8.50	1.22
A	•A	**Research Capital Fund**	—*	116.6	4.9	55.6	91.1	7.25	1.19
C	F	**Research Equity Fund**	– 1.7	20.7	3.2	61.1	5.0	7.25	1.10
B	D	**St Paul Capital Fund**	5.3	31.5	2.3	44.5	17.4	6.00	0.94
A	C	**St Paul Growth Fund**	6.0	31.8	1.0	23.3	23.9	6.00	1.02
		Security Funds							
A	F	**Equity**	3.7	22.2	3.5	130.1	27.6	8.50	0.81
D	A	**Investment**	8.1	12.1	6.5	89.9	17.4	8.50	0.69
A+	•F	**Ultra**	—*	33.9	1.2	27.2	43.2	8.50	1.00
D	F	**Sentinel Apex Fund**	– 6.5	–3.3	3.3	6.0	–11.8	8.50	1.05
D	B	**Sentinel Common Stock Fund**	6.3	11.6	6.0	268.6	2.1	8.50	0.91
C	•C	**Sentinel Growth Fund**	—*	23.7	2.5	16.2	19.1	8.50	0.94
B	•D	**Sentry Fund**	—*	23.8	3.0	18.8	27.9	8.00	0.89
D	D	**Shareholders' Trust of Boston**	2.4	11.6	4.7	36.6	–9.9	8.50	0.80
B	•F	**The Shearson Appreciation Fund**	—*	31.3	0.9	11.1	12.1	8.50	1.20
•C	•D	**Shearson Investors Fund**	—*	16.2	3.2	5.3	–1.9	8.50	1.35
A	F	**Sigma Capital Shares**	2.0	15.6	2.3	19.6	–0.5	8.50	1.46
C	D	**Sigma Investment Shares**	4.8	9.8	5.3	45.0	–2.2	8.50	1.20
•B	•D	**Sigma Special Fund**[3]	—*	17.9	1.8	7.7	8.5	8.50	1.38
A+	•C	**Sigma Venture Shares**	—*	24.1	1.1	11.5	51.3	8.50	1.35
B	C	**Smith, Barney Equity Fund**	4.7	19.9	2.6	48.9	17.3	5.00	1.14
D	B	**Smith, Barney Income & Growth Fund**	4.9	13.5	5.0	3.1	0.0	5.00	1.53
C	D	**Southwestern Investors**	4.2	11.0	4.4	16.7	–4.0	7.50	0.92
D	C	**Sovereign Investors**	5.1	14.6	4.7	8.1	14.1	5.00	0.90
B	D	**State Street Investment Corp**	6.0	18.3	3.5	405.5	10.9	†	0.56
B	D	**Surveyor Fund**	2.6	30.3	1.6	86.8	13.8	8.50	1.11
B	C	**Technology Fund**	6.6	27.3	2.6	435.3	15.1	8.50	0.59
D	D	**Transamerica Capital Fund**	0.9	9.0	5.6	37.9	–3.3	8.00	0.85
A	C	**Travelers Equities Fund**	6.0	29.9	3.0	33.9	27.4	8.50	0.90
A+	•F	**Union Capital Fund**	—*	35.3	none	36.9	28.6	7.25	0.88
C	F	**United Accumulative Fund**	2.6	14.7	3.9	375.3	–5.3	8.50	0.59
•D	•F	**United Contl Growth Fund**	—*	12.8	3.3	45.9	–6.1	8.50	0.91
D	D	**United Income Fund**	2.7	1.3	6.5	520.0	–11.3	8.50	0.62
C	F	**United Science & Energy Fund**	1.0	19.8	2.5	157.3	0.3	8.50	0.68
B	•F	**United Vanguard Fund**	—*	27.1	5.0	32.2	15.8	8.50	1.02

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1980 Fund Ratings

Performance Ratings			Investment Results						
				Latest 12 Months		Total Assets			
In UP Markets	In DOWN Markets		Average Annual Total Return 1968–80	Return from Capital Growth	Return from Income Dividends	6/30/80 In Millions	% Change 1980 vs. 1979	Maximum Sales Charge	Annual Expenses Per $100
—	—	Standard & Poor's 500 Stock Average	4.5%	11.0%	5.2%				
C	D	FORBES Stock Fund Average	3.5%	11.8%	4.2%				
		STOCK FUNDS (LOAD)							
B	C	The Value Line Fund	4.1%	31.0%	2.0%	$ 53.8	24.0	2.50%	$0.75
D	B	The Value Line Income Fund	6.6	12.3	5.3	64.1	3.6	2.50	0.84
•A	•C	Value Line Leveraged Growth Investors	—*	20.0	2.5	17.1	12.5	2.50	0.95
A	F	The Value Line Special Situations Fund	– 1.6	27.2	0.8	131.5	17.6	2.50	1.07
B	B	Vance, Sanders Common Stock Fund	7.4	11.8	2.6	48.7	5.0	8.50	0.83
A+	C	Vance, Sanders Special Fund	7.9	21.2	4.0	65.2	19.6	8.50	0.78
D	D	Varied Industry Plan	1.0	15.4	3.1	15.4	9.2	8.00	1.52
D	C	Wall Street Fund	2.4	9.8	3.2	7.5	–1.3	8.50	2.05
D	C	Washington Mutual Investors Fund	6.2	3.9	5.7	320.9	–1.0	8.50	0.60
		STOCK FUNDS (NO LOAD)							
•A	•D	Able Associates Fund	—*	59.5%	none	$ 3.7	146.7	none	$3.10
•A	•B	Acorn Fund	—*	19.4	2.5%	88.8	65.4	none	0.91
—	—	ADV Fund[3]	–3.8%	15.8	4.0	13.6	–28.0	none	1.26
A+	F	Afuture Fund	4.4	27.2	3.1	25.8	14.2	none	1.60
B	F	Alpha Fund	2.6	13.7	3.0	13.0	–5.1	none	1.50
A	F	American Investors Fund	0.2	33.1	0.9	159.8	20.5	none	1.19
A	D	Armstrong Associates	6.4	18.6	4.5	5.8	28.9	none	1.50
C	C	David L. Babson Investment Fund	4.1	10.3	3.5	234.4	7.3	none	0.63
D	C	Beacon Hill Mutual Fund	1.4	6.0	1.3	2.0	–4.8	none	3.70
D	A	Capamerica Fund	6.4	8.5	3.5	2.7	–3.6	none	1.92
B	D	Capital Shares	3.0	32.4	1.6	34.1	16.8	none	1.61
A	C	Columbia Growth Fund	6.5	23.2	2.3	25.8	27.7	none	1.08
C	D	Concord Fund	1.9	10.2	3.1	1.6	0.0	†	2.02
B	F	The Constellation Growth Fund	1.7	60.1	none	26.2	555.0	none	2.00
C	F	Constitution Fund	1.6	12.1	2.7	14.0	–4.8	none	0.75
B	C	Contrafund	6.5	6.9	4.1	50.0	14.2	none	1.10
C	D	de Vegh Mutual Fund	3.6	20.1	2.8	58.5	7.0	none	0.82
C	•F	Directors Capital	—*	–24.7	none	1.3	–35.0	none	8.97
C	D	Dodge & Cox Stock Fund	3.9	10.1	4.2	15.9	7.4	none	0.74
D	F	The Drexel Burnham Fund	– 0.8	17.6	4.2	38.5	9.1	none	1.20
•A	•B	The Dreyfus Third Century Fund	—*	40.6	1.3	62.6	98.1	none	1.20
B	C	Energy Fund	7.7	34.4	3.1	318.1	45.8	none	0.74
•A	•B	The Evergreen Fund	—*	35.0	0.2	46.7	143.2	none	1.61
C	B	Explorer Fund	3.7	22.6	1.2	17.4	58.2	none	1.20
C	B	Fidelity Equity-Income Fund	6.6	12.8	6.5	117.9	51.4	none	1.00
C	D	Fidelity Fund	5.2	11.6	4.5	489.6	1.3	none	0.75
C	F	Fidelity Trend Fund	1.4	7.9	3.2	558.4	31.1	none	0.92
C	D	Financial Dynamics Fund	1.0	15.4	6.1	53.3	13.4	none	0.82
C	C	Financial Industrial Fund	6.1	18.0	4.8	303.8	11.5	none	0.68
D	B	Financial Industrial Income Fund	7.9	15.3	6.4	171.2	–0.1	none	0.68
A+	•C	The 44 Wall Street Fund	—*	20.7	none	123.6	126.8	none	0.83
C	F	Founders Growth Fund	1.6	25.8	3.4	31.1	9.1	none	1.49
D	A	Founders Income Fund	5.0	7.4	5.5	5.0	–9.1	none	1.50
A	A	Founders Special Fund	10.7	29.3	2.7	18.7	29.0	none	1.50
D	D	Foursquare Fund	1.6	14.1	3.5	6.5	0.0	none	2.40
C	F	Fundex	– 4.9	35.7	none	0.4	0.0	†	8.98
C	C	General Securities	3.2	11.4	3.1	10.1	5.2	none	1.50
A	D	Growth Industry Shares	5.0	22.3	1.6	32.9	14.2	none	0.89
B	B	Guardian Mutual Fund	8.6	18.6	3.6	1[illegible]1.0	[illegible]	none	1.01
•C	•B	Hamilton Income Fund	—*	8.9	5.8	[illegible]0.0	–0.[illegible]	none	1.03
A+	F	Hartwell Growth Fund	1.4	35.0	none	4.9	8.9	none	2.80
A	C	Hartwell Leverage Fund	5.1	54.5	none	5.6	29.4	none	2.50
C	D	Herold Fund	0.8	24.6	none	1.9	0.0	none	2.49
B	C	Istel Fund	6.3	22.9	3.5	124.9	15.9	none	0.73
B	F	Ivest Fund	0.8	7.8	3.2	136.8	–7.6	none	0.96

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1980 Fund Ratings

Performance Ratings			Investment Results						
				Latest 12 Months		Total Assets			
In UP Markets	In DOWN Markets		Average Annual Total Return 1968–80	Return from Capital Growth	Return from Income Dividends	6/30/80 In Millions	% Change 1980 vs. 1979	Maximum Sales Charge	Annual Expenses Per $100
—	—	**Standard & Poor's 500 Stock Average**	**4.5%**	**11.0%**	**5.2%**				
C	D	**FORBES Stock Fund Average**	**3.5%**	**11.8%**	**4.2%**				
		STOCK FUNDS (NO LOAD)							
B	F	**Ivy Fund**	– 0.4%	20.7%	4.0%	$ 41.9	35.2	none	$1.37
B	•A	**Janus Fund**	—*	25.2	3.0	22.6	24.2	none	1.58
B	D	**Johnston Capital Appreciation Fund**[4]	4.2	10.8	4.7	196.2	–6.9	none	0.72
A+	•C	**Lexington Growth Fund**	—*	15.4	2.4	16.0	2.6	none	1.45
B	D	**Lexington Research Fund**	4.2	21.8	5.4	86.6	7.6	none	0.92
A	D	**Loomis-Sayles Capital Development Fund**	3.9	21.8	2.4	49.9	9.4	none	0.79
A+	D	**Magellan Fund**	9.1	39.9	2.0	39.9	27.9	none	1.40
B	D	**Mairs & Power Growth Fund**	4.2	6.5	3.2	12.9	–7.9	none	0.90
D	F	**Manhattan Fund**	– 6.6	24.8	4.0	53.0	17.0	none	2.10
A+	C	**Mathers Fund**	9.5	29.4	3.6	159.8	48.7	none	0.71
B	•D	**W L Morgan Growth Fund**	—*	9.7	3.3	206.3	1.1	none	0.66
B	A	**Mutual Shares**	12.1	16.3	2.6	108.7	58.0	none	0.86
C	A	**Naess & Thomas Special Fund**	6.1	17.4	4.8	12.3	10.8	none	1.48
C	B	**National Aviation & Technology**	6.2	11.4	3.9	78.1	–18.7	none	1.52
B	F	**National Industries Fund**	3.1	20.1	2.6	28.5	16.8	none	1.43
D	F	**Neuwirth Fund**	– 0.8	12.5	4.4	12.8	–5.2	none	1.41
D	D	**New World Fund**	1.8	5.4	4.5	8.9	–1.1	none	1.03
C	D	**Newton Growth Fund**	1.6	15.1	3.1	13.1	2.3	none	1.23
A	•C	**Nicholas Fund**	—*	17.8	2.8	47.7	13.0	none	1.11
•D	•D	**North Star Stock Fund**	—*	7.5	5.0	10.3	41.1	none	0.80
D	D	**The One Hundred Fund**	– 2.1	25.9	1.6	11.2	5.7	none	1.75
D	B	**The One Hundred & One Fund**	3.1	1.8	5.0	1.1	–15.4	none	2.00
B	D	**The One William Street Fund**	5.0	13.6	3.4	267.8	0.4	none	0.57
D	C	**Penn Square Mutual Fund**	5.6	8.4	5.3	147.1	–1.6	none	0.65
C	F	**Pennsylvania Mutual Fund**	– 4.8	4.5	2.9	33.7	–21.6	none	1.53
D	C	**Pilot Fund**	2.6	9.4	3.7	17.7	– 4.3	none	1.29
D	C	**Pine Street Fund**	6.3	9.8	5.5	40.5	–0.5	none	0.92
C	D	**T Rowe Price Growth Stock Fund**	2.4	6.9	3.5	919.4	–3.0	none	0.51
B	•C	**Rowe Price New Era Fund**	—*	40.7	2.6	409.4	71.8	none	0.67
A+	D	**Rowe Price New Horizons Fund**	4.5	28.7	1.8	645.0	31.2	none	0.60
D	D	**PRO Fund**	– 0.3	0.5	4.6	39.6	–0.3	none	1.27
D	B	**Puritan Fund**	6.5	5.3	6.5	659.7	–6.2	none	0.62
D	F	**Revere Fund**	– 5.2	17.6	1.6	4.9	6.5	none	2.70
B	C	**SAFECO Equity Fund**	6.6	10.2	4.4	32.1	2.6	none	0.63
B	D	**SAFECO Growth Fund**	4.0	18.9	3.5	34.9	16.3	none	0.65
D	•B	**SAFECO Income Fund**	—*	7.5	6.9	5.7	5.6	none	0.79
C	F	**Salem Fund**	0.8	16.1	2.7	44.6	0.0	none	1.12
B	D	**Schuster Fund**	2.3	18.2	1.5	12.3	–2.4	none	1.60
C	D	**Scudder Common Stock Fund**	3.4	17.7	3.4	133.8	4.1	none	0.78
•B	•C	**Scudder Development Fund**	—*	22.4	1.2	45.2	32.6	none	1.32
B	D	**Scudder Special Fund**	1.9	19.0	1.8	99.1	8.5	none	0.83
D	D	**Selected American Shares**	0.8	2.0	6.6	84.4	–10.0	none	0.87
D	D	**Selected Special Shares**	0.5	13.0	3.4	35.2	–3.0	none	1.04
•B	•A	**Sequoia Fund**	—*	2.7	3.3	81.7	11.2	none	1.10
B	A	**Sherman, Dean Fund**	6.3	78.4	none	7.5	87.5	none	1.80
D	F	**Steadman American Industry Fund Trust**	– 6.3	15.0	0.4	14.6	–1.4	none	3.31
D	C	**Steadman Investment Fund**	0.6	14.8	2.1	17.0	–1.2	none	1.98
D	C	**Steadman Oceanographic Tech & Growth Fund**	0.3	24.4	1.0	9.7	14.1	none	3.64
A+	D	**Stein Roe & Farnham Capital Opportunities Fund**	7.8	44.0	1.4	59.5	86.5	none	0.77
A	F	**Stein Roe & Farnham Stock Fund**	3.7	25.6	2.8	157.9	14.1	none	0.65
C	•C	**Tudor Fund**[5]	—*	24.0	none	12.9	19.4	none	1.88
A+	D	**Twentieth Century Growth Investors**	10.8	49.2	none	79.2	125.6	none	1.56
A	A	**Twentieth Century Select Investors**	11.0	39.8	0.4	7.6	68.9	none	1.56
C	C	**Variable Stock Fund**	3.6	7.1	3.7	4.9	2.1	none	1.15
A+	C	**Weingarten Equity Fund**	8.7	49.2	0.6	30.4	101.3	none	1.50
C	B	**Windsor Fund**	7.9	6.1	5.4	756.7	7.9	none	0.66

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1980 Fund Ratings

Performance Ratings			Investment Results						
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In UP Markets	In DOWN Markets		Average Annual Total Return 1968–80	Return from Capital Growth	Return from Income Dividends	6/30/80 In Millions	% Change 1980 vs. 1979	% Prem. (+) or Disc. (–)	Annual Expenses Per $100
—	—	**Standard & Poor's 500 Stock Average**	**4.5%**	**11.0%**	**5.2%**				
C	D	**FORBES Stock Fund Average**	**3.5%**	**11.8%**	**4.2%**				
B	D	**FORBES Balanced Fund Average**	**4.1%**	**3.8%**	**6.6%**				
		STOCK FUNDS (CLOSED END)							
C	B	**The Adams Express Company**	7.8%	13.3%	6.1%	$259.9	12.2	–16.4	$0.53
B	A+	**ASA Limited**	22.8	126.7	6.0	649.0	126.7	–21.6	0.32
•C	•B	**Baker, Fentress & Co**	—	18.6	4.2	225.4	16.4	–32.8	0.53
D	C	**Carriers & General Corp**	5.6	4.0	6.2	20.0	1.5	–14.9	1.09
B	F	**Central Securities**	3.0	25.6	5.4	61.1	21.5	–25.9	0.99
C	A	**Claremont Capital**	2.1	34.9	3.8	25.5	34.9	–25.8	1.40
C	D	**Consolidated Investment Trust**	3.3	14.3	4.7	44.3	3.8	–1.9	0.37
•D	•C	**Energy & Utility Shares**[6]	—*	– 4.0	9.2	11.1	–3.5	–6.7	1.35
A+	C	**General American Investors**	8.1	28.8	2.6	162.5	22.3	–15.8	1.32
•D	•C	**Highland Capital Corp**	—*	9.1	none	12.8	9.4	–25.4	N.A.
C	A+	**The Japan Fund**	18.1	3.8	1.7	176.0	–1.0	–20.0	0.69
A	D	**The Lehman Corp**	6.5	15.9	3.9	536.6	8.8	–15.8	0.47
B	B	**Madison Fund**	9.3	34.0	3.9	547.1	18.9	–15.7	0.80
A	C	**Niagara Share Corp**	8.5	37.2	2.6	149.9	29.9	–10.2	0.91
C	F	**OTF Equities**	– 7.4	–11.2	none	0.9	–10.0	–22.2	18.10
—	—	**Pegasus Income & Capital Fund**[7]	–12.4	3.8	8.7	4.0	–14.9	–9.4	1.54
A+	B	**Petroleum & Resources Corp**	13.1	44.7	3.7	244.8	43.6	–12.3	0.52
•C	•A	**Source Capital**	—	18.6	4.9	201.0	7.5	–14.9	0.95
A+	•F	**Spectra Fund**	—*	26.8	none	2.4	26.3	– 48.2	4.19
B	D	**Tri-Continental Corp**	6.4	14.6	5.3	713.1	11.9	–19.8	0.48
B	C	**U S & Foreign Securities**	5.9	16.6	4.4	143.7	13.6	–22.2	1.10
D	C	**The Value Line Development Capital Corp**	– 7.7	16.3	2.1	12.0	16.5	–24.2	1.73
		FUNDS FOR INVESTING ABROAD						Maximum Sales Charge	
C	C	**Canadian Fund**	7.3%	18.3%	2.8%	$ 27.1	19.4	8.50%	$1.10
B	A+	**International Investors**	21.0	128.5	3.3	247.3	101.2	8.50	1.01
C	F	**Keystone International Fund**[8]	– 2.3	13.1	4.2	36.7	–2.4	8.50	0.80
A	F	**Putnam International Equities**	1.3	17.8	3.5	39.0	3.2	8.50	1.68
C	B	**Scudder International Fund**	7.0	25.5	2.6	33.9	57.7	none	1.25
A	A+	**Templeton Growth Fund**	18.9	16.6	1.8	415.0	56.5	8.50	0.78
C	A	**Transatlantic Fund**	10.7	31.2	2.1	28.5	72.7	†	0.93
		BALANCED FUNDS (LOAD)							
C	D	**American Balanced Fund**	4.2%	0.4%	6.1%	$ 98.0	–9.0	8.50%	$0.73
C	C	**Axe-Houghton Fund B**	4.1	3.9	5.5	168.4	–9.1	8.00	0.69
C	F	**Boston Foundation Fund**	3.3	2.5	7.2	26.1	–5.8	8.50	1.51
D	B	**CG Income Fund**	3.3	–9.2	10.1	195.4	–3.0	7.50	0.69
B	F	**The Colonial Fund**	2.8	7.8	5.3	67.3	–10.3	8.50	0.81
C	C	**Composite Bond & Stock Fund**	5.1	3.5	6.4	18.5	7.6	7.00	0.95
B	D	**Eaton & Howard Balanced Fund**	3.9	9.0	5.5	79.3	–2.8	7.25	0.70
D	B	**Eaton & Howard Income Fund**	4.6	–9.4	10.7	23.8	–14.1	7.25	0.82
C	A	**Franklin Custodian Funds–Income Series Shares**	8.0	18.2	7.9	37.8	20.4	7.25	1.03
C	•F	**John Hancock Balanced Fund**	—*	–0.9	6.7	11.2	–6.7	8.00	1.12
B	C	**Harbor Fund**	5.9	15.1	5.5	107.0	0.9	8.50	0.74
•B	•C	**Income Fund of America**	—*	–3.4	7.6	237.1	–12.0	8.50	0.66
C	D	**Investors Mutual**	3.9	1.1	6.8	1,410.5	–15.1	8.00	0.52
A+	C	**Kemper Total Return Fund**	9.1	17.6	5.4	55.6	31.4	8.50	0.71
D	C	**Keystone Custodian Funds–K-1**	4.6	0.4	8.2	56.4	–10.3	8.50	0.64
D	B	**Lord Abbett Income Fund**	5.5	–3.9	9.9	33.8	–9.6	7.25	1.13
D	A	**Magna Income Trust**	4.8	–8.9	11.1	7.4	8.8	7.25	1.27
A	D	**Massachusetts Fund**	5.0	8.7	6.2	198.1	–0.5	8.50	0.63
•C	•D	**Mass Income Development Fund**	—*	2.4	7.4	196.4	–7.5	7.25	0.76
D	C	**Mutual of Omaha Income Fund**	4.7	–5.2	10.5	23.3	–5.3	8.00	0.91

• Fund rated for two periods only; maximum allowable rating A. * Fund not in operation for full period. † Fund not currently selling new shares; existing shares traded over-the-counter. N.A. Not available. [6] Formerly Drexel Utility Shares. [7] Transferred from Dual Purpose funds; not rated. [8] Formerly Polaris Fund.

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1980 Fund Ratings

Performance Ratings			Investment Results	Latest 12 Months		Total Assets			
In UP Markets	In DOWN Markets		Average Annual Total Return 1968–80	Return from Capital Growth	Return from Income Dividends	6/30/80 In Millions	% Change 1980 vs. 1979	Maximum Sales Charge	Annual Expenses Per $100
—	—	**Standard & Poor's 500 Stock Average**	**4.5%**	**11.0%**	**5.2%**				
C	D	**FORBES Stock Fund Average**	**3.5%**	**11.8%**	**4.2%**				
B	D	**FORBES Balanced Fund Average**	**4.1%**	**3.8%**	**6.6%**				
		BALANCED FUNDS (LOAD)							
B	D	**Nation-Wide Securities**	5.6%	2.5%	5.8%	$ 41.0	–9.7	8.50%	$0.94
		National Securities							
B	F	**Balanced Fund**	3.0	1.7	6.1	2.1	– 4.6	7.25	0.81
B	C	**Dividend Fund**	6.2	12.9	6.2	87.4	0.7	7.25	0.70
C	B	**Income Fund**	6.5	3.6	7.4	56.0	– 6.2	7.25	0.71
•D	•C	**Oppenheimer Income Fund of Boston**	—*	–2.9	8.5	42.9	–13.3	8.50	1.21
•C	•C	**Phoenix Fund**	—*	7.0	6.8	18.9	13.9	8.50	1.00
D	D	**Provident Fund for Income**	4.0	1.1	7.3	113.4	–10.9	7.25	0.81
•A	•D	**Putnam Convertible Fund**	—*	18.8	5.1	17.1	6.9	8.50	1.26
A	F	**The George Putnam Fund of Boston**	5.2	6.7	6.6	254.6	–3.1	8.50	0.58
D	B	**Putnam Income Fund**	3.8	–9.0	9.6	161.7	–7.1	6.75	0.77
D	B	**Sentinel Balanced Fund**	5.8	4.5	6.8	13.0	–6.5	8.50	0.93
•D	•A	**Shearson Income Fund**	—*	–0.5	7.7	6.0	–11.8	8.50	1.20
C	C	**Sigma Trust Shares**	4.8	0.3	7.5	24.2	4.3	8.50	1.08
A	•F	**SoGen International Fund**	—*	18.2	5.4	19.3	–1.5	4.50	1.45
B	F	**Southwestern Investors Income Fund**[9] [10]	– 4.0	–9.7	6.7	3.0	114.3	7.50	1.00
D	•B	**Transamerica Investors Fund**	—*	1.1	7.1	4.9	–3.9	8.00	1.45
B	B	**Union Income Fund**	6.4	1.3	8.5	65.7	8.2	7.25	0.64
•C	•F	**United Continental Income Fund**	—*	3.7	6.9	48.2	–15.6	8.50	0.88
A	D	**Vance, Sanders Investors Fund**	5.5	7.9	5.0	136.8	–3.1	8.50	0.70
		BALANCED FUNDS (NO LOAD)							
—	--	**Commerce Income Shares**[11]	2.3%	6.5%	8.5%	$ 50.5	–3.3	none	$0.97
B	D	**Dodge & Cox Balanced Fund**	4.7	5.0	5.8	16.7	1.8	none	0.74
•D	•A	**The Dreyfus Special Income Fund**	—*	2.9	8.6	79.6	–14.8	none	0.87
A	F	**Loomis-Sayles Mutual Fund**	3.5	6.9	5.5	81.5	–7.1	none	0.71
•C	•F	**Newton Income Fund**	—*	–9.3	8.9	5.9	–11.9	none	1.40
C	D	**Scudder Income Fund**	2.8	–8.3	9.9	59.2	–6.0	none	0.84
A+	F	**Stein Roe & Farnham Balanced Fund**	3.3	7.4	4.4	91.6	–7.7	none	0.67
A+	F	**Unified Mutual Shares**	2.6	6.5	5.5	7.8	–2.5	none	1.33
•D	•B	**Wellesley Income Fund**	—*	–1.8	8.8	108.2	–12.6	none	0.58
B	D	**Wellington Fund**	4.3	6.3	6.7	608.7	–6.6	none	0.51
C	F	**Wisconsin Income Fund**	1.0	–11.0	10.9	13.1	–12.1	none	0.95
		BALANCED FUNDS (CLOSED END)						% Prem.(+) or Disc.(–)	
•A	•D	**American General Convertible Securities**	—*	13.1%	6.5%	$81.1	1.1	–15.8	$0.80
•B	•C	**Bancroft Convertible Fund**	—*	12.9	5.9	58.1	9.8	–18.8	1.30
•B	•C	**Castle Convertible Fund**	—*	5.9	8.7	25.5	2.0	–21.6	1.47
•B	•D	**Chase Convertible Fund of Boston**	—*	8.2	7.4	72.5	8.1	–18.3	0.97
•A	•F	**The RET Income Fund**	—*	10.8	none	42.8	4.4	+6.5	0.95
Not Rated		**BOND AND PREFERRED STOCK FUNDS (LOAD)**						Maximum Sales Charge	
		American General Capital Bond Fund	—*	–11.1%	9.8%	$111.8	–6.0	8.50%	$0.82
		Axe-Houghton Income Fund	1.3%	–2.8	8.2	38.4	–11.3	8.00	0.92
		Colonial High Yield Securities[12]	—*	–10.7	14.1	32.9	18.4	8.50	1.11
		Colonial Income Fund	—*	–8.6	10.4	209.0	–17.8	8.50	0.66
		Delchester Bond Fund	—*	–4.3	9.9	28.9	–16.2	8.50	0.90
		First Investors Fund for Income	—*	–9.0	11.9	582.7	12.2	8.50	0.91

• Fund rated for two periods only; maximum allowable rating A. * Fund not in operation for full period. [9] Formerly Southwestern Investors Growth Fund. [10] Transferred from Stock Fund section. [11] Ratings deleted due to change in investment objectives. [12] Formerly Colonial Senior Securities.

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1980 Fund Ratings

Investment Results

			Latest 12 Months		Total Assets			
		Average Annual Total Return 1968–80	Return from Capital Growth	Return from Income Dividends	6/30/80 In Millions	% Change 1980 vs. 1979	Maximum Sales Charge	Annual Expenses Per $100
	Standard & Poor's 500 Stock Average	4.5%	11.0%	5.2%				
	FORBES Stock Fund Average	3.5%	11.8%	4.2%				
	FORBES Balanced Fund Average	4.1%	3.8%	6.6%				
Not Rated	**BOND AND PREFERRED STOCK FUNDS (LOAD)**							
	Franklin Custodian–U.S. Govt Series	—*	–10.7%	8.4%	$ 15.8	68.1	7.25%	$1.09
	Investors Selective Fund	6.4%	–9.1	10.6	577.2	–3.3	7.00	0.49
	Keystone Custodian Funds							
	B-1	5.8	–4.7	10.2	60.1	–15.0	4.25	0.30
	B-2	6.2	–5.9	11.1	53.3	1.1	8.50	0.63
	B-4	6.3	–7.0	10.6	418.0	–9.7	8.50	0.64
	Lord Abbett Bond Debenture Fund	—*	–4.8	9.2	192.2	0.3	8.50	0.78
	National Securities							
	Bond Fund	3.7	–9.2	11.1	133.2	–6.7	7.25	0.72
	Preferred Fund	4.5	–7.5	9.5	3.3	–13.2	7.25	0.95
	Sentinel Bond Fund	—*	–7.8	10.0	9.6	29.7	8.50	0.92
	United Bond Fund	5.0	–13.0	10.7	263.3	–15.0	8.50	0.48
Not Rated	**BOND AND PREFERRED STOCK FUNDS (NO LOAD)**							
	Alpha Income Fund	—*	–10.5%	9.5%	$ 4.8	–17.2	none	$1.50
	Babson (D L) Income Trust	1.9%	–4.2	8.9	31.3	–9.0	none	0.75
	Fidelity Corporate Bond Fund	—*	–7.0	10.4	105.4	6.4	none	0.74
	Fund for U S Govt Securities	—*	–6.6	8.4	71.1	–16.1	none	1.09
	Liberty Fund	–0.5	–4.0	8.0	9.9	–11.6	none	1.64
	Northeast Investors Trust	5.5	–6.1	10.6	156.9	–5.0	none	0.63
	Steadman Associated Fund	3.2	2.9	6.8	38.1	–12.8	none	1.53
Not Rated	**BOND AND PREFERRED STOCK FUNDS (CLOSED END)**						% Prem.(+) or Disc.(–)	
	American General Bond Fund	—*	–11.9%	10.1%	$190.7	–11.7	+2.4	$0.81
	Drexel Bond-Debenture Trading Fund	—*	–5.0	11.1	44.4	–4.9	–11.1	1.35
	Federated Income & Private Placement Fund	—*	–5.9	11.4	42.1	–5.6	–6.9	1.42
	Fort Dearborn Income Securities	—*	–10.6	10.8	88.8	–10.6	–13.0	0.73
	John Hancock Investors	—*	–9.9	11.1	117.8	–8.5	–9.7	0.67
	Independence Square Income Securities	—*	–10.6	10.5	29.6	–10.3	+0.2	1.03
	Lincoln National Direct Placement Fund	—*	2.4	11.9	49.8	2.5	–21.2	0.97
	MassMutual Corporate Investors	—*	–1.8	10.7	89.5	–1.8	–27.3	1.06
	MassMutual Income Investors	—*	–7.3	10.8	120.6	–7.3	–9.3	0.97
	Mutual of Omaha Interest Shares	—*	–10.2	10.9	80.5	–8.6	–5.2	0.78
	Paul Revere Investors	—*	–4.1	10.5	40.1	–4.1	–19.4	1.13
	St Paul Securities	—*	–8.2	10.7	104.3	–8.2	–11.4	0.82
	Transamerica Income Shares	—*	–10.7	10.5	105.6	–10.7	–2.8	0.68
	USLIFE Income Fund	—*	–13.4	11.7	49.9	–13.4	–7.6	1.18
	Vestaur Securities	—*	–10.8	11.8	72.8	–9.8	–4.0	1.00
Not Rated	**EXCHANGE FUNDS**						Maximum Sales Charge	
	Capital Exchange Fund	4.8%	15.3%	3.3%	$ 54.5	3.8	none	$0.66
	Congress Street Fund	4.3	14.3	3.5	43.8	1.6	none	0.68
	Depositors Fund of Boston	3.5	13.6	3.6	50.2	2.2	none	0.66
	Diversification Fund	4.4	8.5	3.6	53.7	0.6	none	0.65
	Exchange Fund of Boston	4.6	13.8	3.7	45.3	–2.0	none	0.67
	Federal Street Fund	4.7	13.2	3.6	211.0	5.9	none	0.61
	Fiduciary Exchange Fund	4.6	13.8	3.5	40.7	3.3	none	0.69
	Second Fiduciary Exchange Fund	4.3	13.3	3.7	56.3	3.1	none	0.65
Kind of Shares	**DUAL PURPOSE FUNDS**						% Prem.(+) or Disc.(–)	
Capital	**Gemini Fund**	6.6%	7.5%	none	$69.8	2.2	–10.3	$0.67
Income	**Gemini Fund**	—	—	14.9%			+39.6	
Capital	**Hemisphere Fund**	–16.5	260.0	none	19.5	12.1	+101.4	1.27
Income	**Hemisphere Fund**	—	—	8.0			–32.7	

* Fund not in operation for full period.

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1980 Fund Ratings

Investment Results

			Latest 12 Months		Total Assets			
Kind of Shares		Average Annual Total Return 1968-80	Return from Capital Growth	Return from Income Dividends	6/30/80 In Millions	% Change 1980 vs. 1979	% Prem. (+) or Disc. (–)	Annual Expenses Per $100
	Standard & Poor's 500 Stock Average	**4.5%**	**11.0%**	**5.2%**				
	FORBES Stock Fund Average	**3.5%**	**11.8%**	**4.2%**				
	FORBES Balanced Fund Average	**4.1%**	**3.8%**	**6.6%**				
	DUAL PURPOSE FUNDS							
Capital	**Income & Capital Shares**	–4.7%	21.2%	none	$ 31.5	11.3	–4.4	$0.82
Income	**Income & Capital Shares**	—	—	11.2%			–8.7	
Capital	**Leverage Fund of Boston**	3.6	10.3	none	74.0	4.1	–7.6	0.69
Income	**Leverage Fund of Boston**	—	—	11.8			–2.0	
Capital	**Putnam Duofund**	1.4	32.0	none	37.0	15.6	–16.8	0.90
Income	**Putnam Duofund**	—	—	10.4			–4.2	
Capital	**Scudder Duo-Vest**	0.9	15.1	none	119.9	8.3	–10.4	0.73
Income	**Scudder Duo-Vest**	—	—	10.7			+1.0	
Capital	**Scudder Duo-Vest Exchange Fund**	– 0.1	13.3	none	22.1	0.9	–24.8	0.91
Income	**Scudder Duo-Vest Exchange Fund**	—	—	10.5			–0.4	
Type of Fund	**NEW FUNDS***	Date Started					Maximum Sales Charge	
Bond	**Aetna Income Shares**	5/73	–5.7%	10.2%	$ 39.6	7.9	none	$0.25
Bond	**Alliance Bond Fund**	9/73	–9.8	9.7	17.8	–31.5	none	0.67
Exchange	**American General Exchange Fund**	9/76	17.5	2.6	52.1	12.3	none	0.83
Bond	**American General High Yield Investments**	11/78	–9.3	11.4	251.2	43.4	6.75%	0.87
Bond	**American Investors Income Fund**	1/76	1.0	10.6	13.5	21.6	none	1.47
Bond	**American National Bond Fund**	8/78	–4.4	9.6	5.1	30.8	5.00	0.75
Stock	**American National Income Fund**	5/70	8.9	6.4	11.0	37.5	8.50	0.96
Bond	**Bond Fund of America**	5/74	–4.7	10.5	180.3	15.7	8.50	0.67
Bond(C)	**Bunker Hill Income Securities**	10/73	–6.4	11.4	49.7	–6.6	none	0.90
Bond	**California Fund for Inv in U S Govt Secs**	5/73	–5.0	9.4	9.1	–44.5	none	1.65
Bond	**Chancellor High Yield Fund**	5/79	–6.6	11.9	59.0	45.7	6.75	0.97
Exchange	**Chestnut Street Exchange Fund**	9/76	16.5	3.1	95.0	8.8	none	0.73
Bond(C)	**Circle Income Shares**	6/73	[illegible]	10.0	29.2	–6.4	none	0.75
Stock(C)	**CL Assets**	1/73	N.M.	none	13.7	9.6	none	1.90
Bond(C)	**CNA Income Shares**	5/73	–10.4	10.7	55.1	–10.4	none	0.93
Stock	**Colonial Option Income Fund**	4/77	9.4	4.1	196.2	14.9	8.50	0.89
Stock	**Colonial Tax-Managed Trust**	11/78	6.8	none	74.8	82.4	8.50	1.18
Bond	**Composite Income Fund**	1/76	–9.5	9.2	4.7	–14.6	7.00	1.02
Balanced	**Convertible Yield Securities**	3/78	9.1	4.8	23.6	–2.9	6.50	1.49
Bond(C)	**Current Income Shares**	4/73	–12.8	10.7	38.9	–12.8	none	0.80
Balanced(C)	**Cyprus Corp**[13]	6/73	–44.6	none	14.1	–9.0	none	2.80
Bond	**Dreyfus A Bonds Plus**	6/76	–3.5	10.9	12.2	62.7	none	1.00
Stock	**Dreyfus Number Nine**	2/72	39.0	1.8	56.4	132.1	none	1.20
Stock	**Eagle Growth Shares**	10/71	16.2	2.1	3.8	11.8	8.50	1.89
Stock	**Equitec Fund**	5/77	–9.7	11.1	2.4	–36.8	8.50	2.00
Stock	**The Evergreen Total Return Fund**	9/78	12.7	5.2	12.1	42.4	none	1.62
Bond(C)	**Excelsior Income Shares**	5/73	–10.5	11.0	40.9	–10.7	none	0.82
Stock	**Farm Bureau Growth Fund**	7/71	13.7	1.2	32.4	14.9	8.50	0.96
Exchange	**Federated Exchange Fund**	1/77	14.4	3.0	87.7	7.3	none	1.01
Bond	**Federated High Income Securities**	12/77	–5.0	11.4	61.6	14.3	6.50	1.05
Stock	**Federated Option Income Fund**	6/77	1.5	9.3	19.1	–26.0	6.50	1.50
Bond	**Fidelity Aggressive Income Fund**	11/77	–8.9	12.7	100.5	22.9	none	0.80
Exchange	**Fidelity Exchange Fund**	12/76	13.2	3.6	103.9	5.9	none	0.66
Bond	**Fidelity Thrift Trust**	5/75	0.8	11.1	46.5	53.0	none	0.75
Bond	**Financial Bond Shares**	1/77	–5.6	11.5	3.5	52.2	none	0.00
Stock	**First Index Investment Trust**	8/76	10.8	5.0	85.8	34.9	none	0.30
Bond	**First Investors Bond Appreciation Fund**	5/78	–3.8	9.2	31.7	3.3	7.25	1.12
Stock	**Fundamerica of Japan**	4/73	14.2	2.9	14.4	–34.3	6.50	1.90
Inv. Abroad	**G T Pacific Fund**	1/77	–2.1	2.8	9.4	–23.6	none	1.50
Stock	**Gateway Option Income Fund**	12/77	6.2	3.8	14.8	27.6	none	1.61

* Funds which were not offered to the public or whose assets did not exceed $2 million before January 11, 1973. (C) Closed-end investment company. N.M. Not meaningful. [13] Formerly S-G Securities.

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1980 Fund Ratings

Investment Results

Type of Fund		Date Started	Latest 12 Months		Total Assets		Maximum Sales Charge	Annual Expenses Per $100
			Return from Capital Growth	Return from Income Dividends	6/30/80 in Millions	% Change 1980 vs. 1979		
	Standard & Poor's 500 Stock Average		11.0%	5.2%				
	FORBES Stock Fund Average		11.8%	4.2%				
	FORBES Balanced Fund Average		3.8%	6.6%				
	NEW FUNDS*							
Stock	**Golconda Investors**	9/58	112.2%	none	$ 5.1	142.9	none	$5.14
Stock	**Edson Gould Fund**	12/76	13.1	none	3.5	–22.2	6.50%	1.56
Balanced	**The GPM Fund**	2/46	12.0	5.4%	2.6	0.0	8.00	1.50
Stock	**The Guardian Park Avenue Fund**	6/72	14.0	5.9	26.4	56.2	8.50	0.77
Bond	**John Hancock Bond Fund**	11/73	–11.8	10.2	262.4	11.5	8.00	0.76
Bond(C)	**John Hancock Income Securities**	2/73	–11.6	11.1	134.9	–11.5	none	0.66
Bond(C)	**Hatteras Income Securities**	4/73	–6.4	10.4	46.0	–6.3	none	0.82
Bond	**High Yield Securities**	9/77	–7.7	11.6	114.3	3.6	6.50	1.01
Bond	**IDS Bond Fund**	10/74	–9.7	12.0	480.1	49.4	3.50	0.57
Bond	**INA High Yield Fund**	9/78	–10.3	12.0	54.9	–3.7	6.75	0.95
Bond(C)	**INA Investment Securities**	1/73	–8.4	10.4	76.9	–8.5	none	0.91
Bond	**InterCapital High Yield Securities**	9/79	#	#	200.3	—	5.50	0.67
Bond(C)	**InterCapital Income Securities**	4/73	–10.7	11.2	167.2	–10.1	none	0.70
Stock	**InterCapital Industry Valued Securities**	3/80	#	#	10.1	—	5.50	1.27
Bond	**Johnston Income Fund**	8/79	#	#	3.1	—	none	N.A.
Bond	**JP Income Fund**	8/78	–8.7	10.0	25.2	98.4	8.00	0.75
Bond	**Kemper Fund for Govt Guaranteed Securities**	[illegible]/77	–7.0	9.2	9.3	31.0	4.00	0.85
Bond	**Kemper High Yield Fund**	1/78	–11.9	12.2	114.0	9.1	6.75	0.81
Bond	**Kemper Income & Capital Preservation Fund**	4/74	–9.9	11.6	102.4	–13.8	6.00	0.58
Stock	**Kemper Option Income Fund**	6/77	12.5	4.1	66.7	–2.6	8.50	0.88
Bond	**Lexington Income Fund**	10/73	–8.5	9.9	5.9	–29.8	none	1.56
Stock	**Lindner Fund**	5/73	7.0	4.4	8.9	–20.5	none	1.05
Stock	**Lord Abbett Developing Growth Fund**	10/73	14.5	1.3	45.7	58.7	8.50	1.21
Stock	**The Lowry Fund**	12/76	–2.0	8.7	2.4	–4.0	1.50	1.50
Bond	**Massachusetts Financial Bond Fund**	5/74	–8.7	10.1	183.3	19.1	7.25	0.82
Bond	**Massachusetts Financial High Income Trust**	2/78	–4.9	13.2	88.5	254.0	7.25	0.94
Bond	**Massachusetts Fund for Income**	12/73	–10.6	9.9	30.3	–16.1	8.50	1.00
Stock	**Mayflower Fund**	4/79	–4.8	0.8	2.4	200.0	none	2.05
Stock	**Merrill Lynch Basic Value Fund**	7/77	10.0	5.1	89.3	6.3	4.00	0.96
Stock	**Merrill Lynch Capital Fund**	10/73	13.0	5.7	98.3	1.8	6.50	0.82
Balanced	**Merrill Lynch Equi-Bond I Fund**	1/78	–0.9	5.4	13.9	–13.1	4.00	1.50
Bond	**Merrill Lynch High Income Fund**	11/78	–7.2	11.9	269.4	67.8	4.00	0.73
Inv. Abroad	**Merrill Lynch Pacific Fund**[14]	11/76	10.3	2.4	11.4	–11.6	7.00	1.48
Stock	**Merrill Lynch Special Value Fund**	5/78	5.3	3.0	44.5	–12.8	6.50	1.26
Specialized	**Money Market/Options Investments**	3/76	3.3	9.7	2.6	–16.1	5.75	1.71
Bond(C)	**Montgomery Street Income Securities**	2/73	–12.9	10.5	151.4	–11.1	none	0.71
Bond	**Monthly Income Shares**	3/74	–15.0	10.2	44.3	–14.0	8.50	0.92
Stock	**Mutual Benefit Fund**	1/71	4.1	4.9	20.3	5.2	8.50	0.88
Bond	**Mutual of Omaha America Fund**	10/73	–5.7	10.0	6.7	–5.6	none	1.19
Stock(C)	**Nautilus Fund**	2/79	21.1	2.6	12.8	20.8	none	1.52
Bond	**NEL Income Fund**	11/73	–12.8	10.3	35.1	–7.4	8.00	0.82
Stock	**New Perspective Fund**	5/73	18.3	2.3	387.5	19.5	8.50	0.81
Bond	**North Star Bond Fund**	8/77	1.8	6.0	6.3	16.7	none	0.90
Stock	**Oppenheimer Directors Fund**	12/78	32.1	0.3	18.0	181.3	4.00	1.46
Bond	**Oppenheimer High Yield Fund**	8/78	–9.7	12.1	114.2	65.8	6.75	0.86
Stock	**Oppenheimer Option Income Fund**	10/77	2.3	4.8	60.9	–12.6	8.50	1.10
Stock	**Oppenheimer Special Fund**	1/73	28.3	1.7	89.8	190.6	8.50	1.10
Bond(C)	**Pacific American Income Shares**	3/73	–6.3	10.8	79.7	–6.4	none	0.75
Stock	**Partners Fund**	7/68	28.1	2.7	43.7	38.3	none	1.29
Stock	**Pax World Fund**	8/71	7.5	5.5	3.0	36.4	none	1.50
Stock	**Pinestock Associates**	6/66	43.4	1.2	4.8	37.1	none	1.00
Bond	**Pioneer Bond Fund**	10/78	–7.6	10.4	6.7	109.4	8.50	0.40
Bond	**Plyield Fund**	9/75	–9.6	9.7	4.1	–8.9	8.50	1.62

* Funds which were not offered to the public or whose assets did not exceed $2 million before January 11, 1973. (C) Closed-end investment company. N.A. Not available. # Fund not in operation for full period. [14] Formerly Nomura Capital Fund of Japan.

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1980 Fund Ratings

Investment Results

Type of Fund		Date Started	Latest 12 Months: Return from Capital Growth	Latest 12 Months: Return from Income Dividends	Total Assets: 6/30/80 In Millions	Total Assets: % Change 1980 vs. 1979	Maximum Sales Charge	Annual Expenses Per $100
	Standard & Poor's 500 Stock Average		11.0%	5.2%				
	FORBES Stock Fund Average		11.8%	4.2%				
	FORBES Balanced Fund Average		3.8%	6.6%				
	NEW FUNDS*							
Stock(C)	**Precious Metals Holdings**	2/74	124.3%	4.5%	$ 86.4	119.3	none	$1.12
Bond	**Rowe Price New Income Fund**	10/73	−2.7	12.2	392.3	34.1	none	0.59
Bond	**PRO Income Fund**	7/74	−8.5	9.5	23.4	16.4	none	1.17
Bond	**Putnam High Yield Fund**	1/78	−6.6	11.6	268.3	44.3	6.75%	0.73
Stock	**Putnam Option Income Trust**	6/77	6.8	4.5	83.1	−1.1	8.50	1.00
Stock	**Qualified Dividend Portfolio I**	12/75	1.5	8.3	19.0	6.2	none	0.79
Bond	**Qualified Dividend Portfolio II**	12/75	−9.6	10.3	20.6	−6.8	none	0.80
Stock	**Quasar Associates**	8/68	39.6	0.3	5.2	23.8	none	1.49
Bond	**St Paul Income Fund**	3/73	−8.3	9.2	6.7	−10.7	6.00	1.09
Bond	**Security Bond Fund**	12/70	−9.7	10.2	26.5	0.8	2.75	0.82
Stock	**Sierra Growth Fund**	2/57	15.6	2.8	3.9	−2.5	none	2.02
Bond	**Sigma Income Shares**	11/74	−7.2	9.6	21.8	−0.9	8.50	0.80
Bond(C)	**State Mutual Securities**	2/73	−7.2	11.1	90.1	−7.1	none	1.00
Exchange	**State Street Exchange Fund**	12/76	11.8	3.2	101.5	5.7	none	0.58
Bond	**SteinRoe Bond Fund**	12/78	−7.2	9.9	11.6	63.4	none	0.80
Stock	**SteinRoe Special Fund**	7/67	17.5	2.6	38.0	31.5	none	1.04
Stock	**Strategic Investments Fund**	2/75	130.7	4.0	18.8	291.7	8.50	1.35
Stock	**Stratton Growth Fund**	10/72	−1.5	2.7	5.8	0.0	none	1.96
Stock	**Sun Growth Fund**	8/71	8.4	3.6	10.1	8.6	8.50	1.06
Stock	**Tax-Managed Fund for Utility Shares**	4/78	1.7	none	163.9	74.9	8.50	1.39
Stock	**Templeton World Fund**	1/78	16.7	1.4	296.6	203.6	8.50	1.04
Balanced	**Trustees' Commingled Equity Fund**	1/80	#	#	34.8	—	none	N.A.
Stock	**Unified Accumulation Fund**	4/78	20.8	none	2.0	122.2	none	4.68
Stock	**Unified Growth Fund**	9/70	16.9	3.3	2.6	44.4	none	1.78
Bond	**United High Income Fund**	7/79	#	#	103.6	—	8.50	1.00
Stock	**United Services Fund**	6/70	135.9	4.8	78.2	166.0	none	1.11
Exchange	**Vance, Sanders Exchange Fund**	6/76	15.8	2.8	121.5	6.3	none	0.83
Bond	**Vance, Sanders Income Fund**	6/73	−8.2	9.4	13.5	−10.1	8.50	0.93
Bond	**Vanguard Fixed Income Secs-High Yield**[15]	12/78	−7.3	12.4	5.6	180.0	none	0.75
Bond	**Vanguard Fixed Income Secs-Invest Grade**[16]	7/73	−5.4	9.7	45.5	−0.9	none	0.75
Portfolio Avg. Maturity (days)	**MONEY MARKET FUNDS†**						Minimum Initial Investment	
27	**Alliance Capital Reserves**	7/78	—	12.0%	$640.3	351.2	none	$0.82
23	**Alliance Government Reserves**	7/79	—	#	58.6	—	none	0.60
20	**American General Reserve Fund**	7/74	—	12.8	60.4	361.1	$1,000	0.90
21	**American Liquid Trust**	7/75	—	12.1	221.1	212.7	none	0.75
2	**Capital Preservation Fund**	10/72	—	11.3	735.0	217.1	1,000	1.00
26	**Cash Equivalent Fund**	3/79	—	13.2	933.6	762.1	1,000	0.56
51	**Cash Management Trust of America**	11/76	—	12.8	298.5	178.2	5,000	0.67
67	**Cash Reserve Management**	1/77	—	12.7	2,728.6	156.2	10,000	0.53
17	**Centennial Capital Cash Management Trust**	7/74	—	10.8	92.1	152.3	1,000	0.85
22	**CG Money Market Fund**	1/75	—	12.4	76.9	205.2	300	0.61
223	**Chancellor Tax-Exempt Daily Income Fund**	8/79	—	#	86.2	—	2,500	0.98
70	**CMA Money Trust**	9/77	—	12.6	2,061.3	358.2	none	0.62
26	**Columbia Daily Income Company**	11/74	—	12.1	347.3	325.1	1,000	0.90
26	**Composite Cash Management**	11/79	—	#	79.6	—	1,000	N.A.
29	**Current Interest**	6/74	—	12.1	484.4	525.8	1,000	0.76
15	**Daily Cash Accumulation**	7/78	—	12.1	2,209.7	334.3	2,500	0.66
27	**Daily Income Fund**	7/74	—	11.8	536.0	140.9	5,000	0.75
65	**Delaware Cash Reserve**	6/78	—	13.0	543.2	894.9	1,000	0.80
44	**Dreyfus Liquid Assets**	1/74	—	12.4	3,364.7	153.8	2,500	0.69
49	**Dreyfus Money Market Instru Govt Sec Series**	5/79	—	11.6	159.0	2,506.6	50,000	0.35

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1980 Fund Ratings

Investment Results

Portfolio Avg. Maturity (days)		Date Started	Latest 12 Months		Total Assets		Minimum Initial Investment	Annual Expenses Per $100
			Return from Capital Growth	Return from Income Dividends	6/30/80 In Millions	% Change 1980 vs. 1979		
	Standard & Poor's 500 Stock Average		**11.0%**	**5.2%**				
	FORBES Stock Fund Average		**11.8%**	**4.2%**				
	FORBES Balanced Fund Average		**3.8%**	**6.6%**				
	MONEY MARKET FUNDS†							
45	**Dreyfus Money Mkt Instru Money Mkt Series**	4/75	—	12.5%	$1,492.3	186.0	$50,000	$0.50
14	**Eaton & Howard Cash Management Fund**	1/75	—	11.9	108.2	254.8	1,000	0.53
86	**Federated Tax-Free Trust**	3/79	—	5.5	647.3	950.8	25,000	0.45
66	**Fidelity Cash Reserves**	5/79	—	12.8	797.7	3,990.8	1,000	1.00
62	**Fidelity Daily Income Trust**	5/74	—	12.6	3,344.9	88.0	10,000	0.36
102	**Fidelity Tax-Exempt Money Market Trust**	1/80	—	#	399.9	—	20,000	N.A.
17	**Financial Daily Income Shares**	3/76	—	12.2	92.3	123.5	1,000	0.53
28	**First Investors Cash Management Fund**	10/78	—	12.4	183.9	543.0	1,000	0.72
35	**First Variable Rate Fund for Govt Income**	12/76	—	12.1	430.0	290.2	2,000	1.03
30	**Franklin Money Fund**[17]	1/76	—	12.6	218.0	589.9	500	0.87
33	**Fund for Government Investors**	3/75	—	11.4	440.4	298.6	2,500	0.70
24	**Government Investors Trust**	7/79	—	#	102.3	—	2,000	1.31
28	**Gradison Cash Reserves**	5/76	—	11.5	307.4	131.1	1,000	0.80
18	**John Hancock Cash Management Trust**	10/79	—	#	107.2	—	1,000	0.80
66	**IDS Cash Management Fund**	10/75	—	12.3	304.5	449.6	2,500	0.65
26	**INA Cash Fund**	11/79	—	#	269.2	—	2,500	0.81
52	**InterCapital Liquid Asset Fund**	9/75	—	12.2	3,914.5	142.6	5,000	0.63
23	**Johnston Cash Management Fund**	8/79	—	#	78.8	—	2,500	N.A.
36	**E D Jones & Co Daily Passport Cash Trust**	5/80	—	#	8.2	—	5,000	N.A.
27	**Kemper Money Market Fund**	11/74	—	13.0	982.8	213.6	1,000	0.64
39	**Legg Mason Cash Reserve Trust**	10/78	—	11.8	109.9	—	5,000	1.21
21	**Lexington Money Market Trust**	7/78	—	12.2	72.8	2,041.2	1,000	0.18
20	**Liquid Capital Income**	11/74	—	12.2	842.0	137.9	1,000	0.70
15	**Lord Abbett Cash Reserve Fund**	7/79	—	12.1	178.7	—	1,000	0.54
29	**Massachusetts Cash Management Trust**	12/75	—	12.2	226.2	178.9	1,000	0.86
28	**Master Reserves Trust Government Portfolio**	2/80	—	#	13.9	—	250,000	N.A.
17	**Master Reserves Trust Money Mkt Portfolio**[18]	2/76	—	12.0	119.2	409.4	250,000	0.52
43	**Merrill Lynch Government Fund**	9/77	—	11.4	172.1	382.1	5,000	0.67
42	**Merrill Lynch Institutional Fund**	12/74	—	12.3	774.5	128.2	25,000	0.56
73	**Merrill Lynch Ready Assets Trust**	2/75	—	12.6	11,428.0	150.3	5,000	0.50
49	**Midwest Income Investment Co**	12/74	—	11.3	120.2	78.3	500	0.98
30	**MIF Nationwide Money Market Fund**	3/80	—	#	50.0	—	2,500	N.A.
57	**Money Market Management**	1/74	—	11.5	276.0	222.8	1,000	1.14
33	**Money Shares**	1/78	—	11.0	6.9	81.6	1,000	1.45
38	**MoneyMart Assets**	6/76	—	12.3	1,746.2	182.7	3,000	0.62
29	**Mutual of Omaha Money Market Account**	7/79	—	#	120.5	—	2,500	0.89
33	**National Liquid Reserves**	8/74	—	11.7	1,447.9	233.3	2,500	0.64
61	**NEL Cash Management Account**	7/78	—	12.3	261.3	363.3	1,000	0.74
18	**Oppenheimer Money Market Fund**[19]	4/74	—	12.8	654.8	250.9	2,500	0.63
43	**Paine Webber CASHFUND**	5/78	—	12.0	2,319.0	161.6	5,000	0.60
20	**Plimoney Fund**	3/80	—	#	14.1	—	2,500	1.18
24	**Rowe Price Prime Reserve Fund**	3/76	—	12.5	1,125.0	158.1	1,000	0.60
38	**Putnam Daily Dividend Trust**	9/76	—	12.6	152.7	218.1	2,000	0.78
13	**The Reserve Fund**	11/71	—	12.3	1,942.5	49.7	1,000	0.72
20	**St Paul Money Fund**	11/79	—	#	61.6	—	3,000	0.80
25	**Scudder Cash Investment Trust**	7/76	—	12.1	205.0	350.6	1,000	0.79
101	**Scudder Managed Reserves**	8/74	—	11.7	481.6	23.8	1,000	0.76
330	**Scudder Tax Free Money Fund**	1/80	—	#	66.6	—	1,000	0.25
37	**Selected Money Market Fund**	10/77	—	12.1	34.4	549.1	1,000	0.67
13	**Shearson Daily Dividend**	6/79	—	12.7	1,959.9	1,265.8	5,000	0.60
29	**Short-Term Yield Securities**	5/78	—	12.0	33.3	301.2	1,250	0.73
7	**Steadman Federal Securities Fund**	2/80	—	#	11.4	—	500	N.A.
36	**SteinRoe Cash Reserves**	10/76	—	12.2	378.7	167.3	2,500	0.67

† All funds are no-load; however special fees may apply in some cases. # Fund not in operation for full period. N.A. Not available. [17] Formerly Franklin Resources Liquid Assets Fund. [18] Formerly Master Reserve Trust. [19] Formerly Oppenheimer Monetary Bridge.

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Investment Results

			Latest 12 Months		Total Assets			
Portfolio Avg. Maturity (days)		Date Started	Return from Capital Growth	Return from Income Dividends	6/30/80 In Millions	% Change 1980 vs. 1979	Minimum Initial Investment	Annual Expenses Per $100
	Standard & Poor's 500 Stock Average		**11.0%**	**5.2%**				
	FORBES Stock Fund Average		**11.8%**	**4.2%**				
	FORBES Balanced Fund Average		**3.8%**	**6.6%**				
	MONEY MARKET FUNDS†							
34	**Trust for Cash Reserves**	2/80	—	#	$ 46.2	—	none	$1.45
26	**Union Cash Management Fund**	1/77	—	12.9%	312.1	264.2	$1,000	0.64
18	**United Cash Management**	8/79	—	#	141.9	—	1,000	0.70
28	**The Value Line Cash Fund**	4/79	—	12.6	67.8	1,440.9	1,000	0.85
25	**Vanguard Money Market Trust**[20]	6/75	—	12.5	301.0	230.4	3,000	0.39
40	**Vanguard Muni Bond-Money Market**	5/80	—	#	3.0	—	3,000	N.A.
182	**Vanguard Muni Bond-Short Term**[21]	9/77	—	5.1	182.9	175.5	3,000	0.45
20	**Webster Cash Reserve**	8/79	—	#	476.0	—	5,000	0.70
	MUNICIPAL BOND FUNDS						Maximum Sales Charge	
	Alpha Tax-Exempt Bond Fund	1/77	−16.9%	7.2%	$ 2.5	−7.4	none	$1.00
	American General Municipal Bond Fund	11/76	−18.1	7.2	23.7	−14.4	4.75%	0.80
	Bullock Tax-Free Shares	2/77	−16.8	7.2	19.4	−6.7	4.75	1.06
	CG Municipal Bond Fund	3/77	−13.9	7.2	43.6	16.6	7.50	0.80
	Composite Tax-Exempt Bond Fund	1/77	−17.2	6.7	2.9	−12.1	none	0.99
	DMC Tax-Free Income Trust–Pennsylvania	3/77	−14.6	6.7	27.0	−11.5	4.50	0.81
	Dreyfus Tax Exempt Bond Fund	10/76	−14.8	7.3	853.6	0.5	none	0.75
	Federated Tax-Free Income Fund	10/76	−16.6	7.0	51.2	−26.9	none	1.20
	Fidelity High Yield Municipals	12/77	−12.3	7.5	199.8	8.8	none	0.60
	Fidelity Limited Term Municipals	4/77	−5.5	5.6	67.1	−11.5	none	0.60
	Fidelity Municipal Bond Fund	8/76	−14.9	7.0	535.1	−19.8	none	0.63
	First Investors Tax Exempt Fund	8/77	−12.1	6.8	25.1	40.2	7.25	1.27
	Franklin Tax-Free Income Fund	2/77	−16.3	7.5	1.9	−17.4	7.25	1.00
	John Hancock Tax-Exempt Income Trust	1/77	−17.0	7.2	13.6	−9.3	8.00	0.79
	IDS High Yield Tax-Exempt Fund	5/79	−13.2	8.5	121.9	777.0	4.00	0.59
	IDS Tax-Exempt Bond Fund	12/76	−14.5	7.2	153.4	−5.7	4.00	0.60
	InterCapital Tax Exempt Securities	3/80	#	#	39.5	—	4.00	0.76
	Kemper Municipal Bond Fund	4/76	−13.3	7.3	210.1	−10.4	4.75	0.58
	Keystone Tax Free Fund[22]	1/78	−10.3	6.9	9.1	85.7	4.00	0.50
	Merrill Lynch Muni Bd Fd High Yield Portfolio	11/79	#	#	20.5	—	4.00	0.46
	Merrill Lynch Muni Bd Fd Insured Portfolio[23]	11/77	−12.1	7.1	61.4	3.9	4.00	1.03
	Merrill Lynch Muni Bd Fd Ltd Maturity Port	11/79	#	#	207.0	—	1.00	0.56
	MFS Managed Municipal Bond Trust	10/76	−8.7	7.1	66.2	5.8	4.75	0.89
	Mutual of Omaha Tax-Free Income Fund	1/77	−15.9	7.7	28.5	−13.9	8.00	0.85
	Natl Securities Tax Exempt Bonds	11/76	−15.2	7.1	16.2	−11.0	6.00	0.77
	NEL Tax Exempt Bond Fund	5/77	−16.3	7.2	10.0	−16.7	4.50	0.78
	Nuveen Municipal Bond Fund	11/76	−11.9	6.7	124.7	57.7	4.50	0.75
	Oppenheimer Tax-Free Bond Fund	10/76	−18.2	7.5	38.3	−23.3	none	0.96
	Pennsylvania Tax-Free Income Trust	2/77	−16.0	6.7	7.9	−24.0	4.50	1.10
	Rowe Price Tax-Free Income Fund	11/76	−7.5	6.6	249.5	3.9	none	0.70
	Putnam Tax Exempt Income Fund	11/76	−7.5	7.1	34.8	−6.0	4.75	0.75
	Scudder Managed Municipal Bonds	10/76	−9.2	6.7	132.7	4.8	none	0.71
	Selected Tax-Exempt Bond Fund	10/77	−21.2	7.6	2.1	5.0	none	0.49
	SteinRoe Tax-Exempt Bond Fund	2/77	−12.3	6.9	34.3	27.5	none	0.77
	Tax-Exempt Bond Fund of America	10/79	#	#	7.8	—	4.75	1.00
	United Municipal Bond Fund	11/76	−17.3	7.5	30.7	−0.3	4.00	0.84
	Vance, Sanders Municipal Bond Fund	3/78	−12.5	6.5	4.2	23.5	3.75	0.60
	Vanguard Muni Bond-High Yield[24]	12/78	−16.2	7.7	21.0	200.0	none	0.45
	Vanguard Muni Bond-Intermediate Term[25]	9/77	−10.5	6.0	19.4	60.3	none	0.45
	Vanguard Muni Bond-Long Term[26]	9/77	−17.7	7.5	49.1	63.1	none	0.45

† All funds are no-load; however, special fees may apply in some cases. # Fund not in operation for full period. N.A. Not available. [20] Formerly Whitehall Money Market Trust. [21] Formerly Warwick Municipal Bond-Short Term. [22] Formerly Massachusetts Fund for Tax Exempt Income. [23] Formerly Merrill Lynch Municipal Bond Fund. [24] Formerly Warwick Municipal Bond-High Yield. [25] Formerly Warwick Municipal Bond-Intermediate Term. [26] Formerly Warwick Municipal Bond-Long Term.

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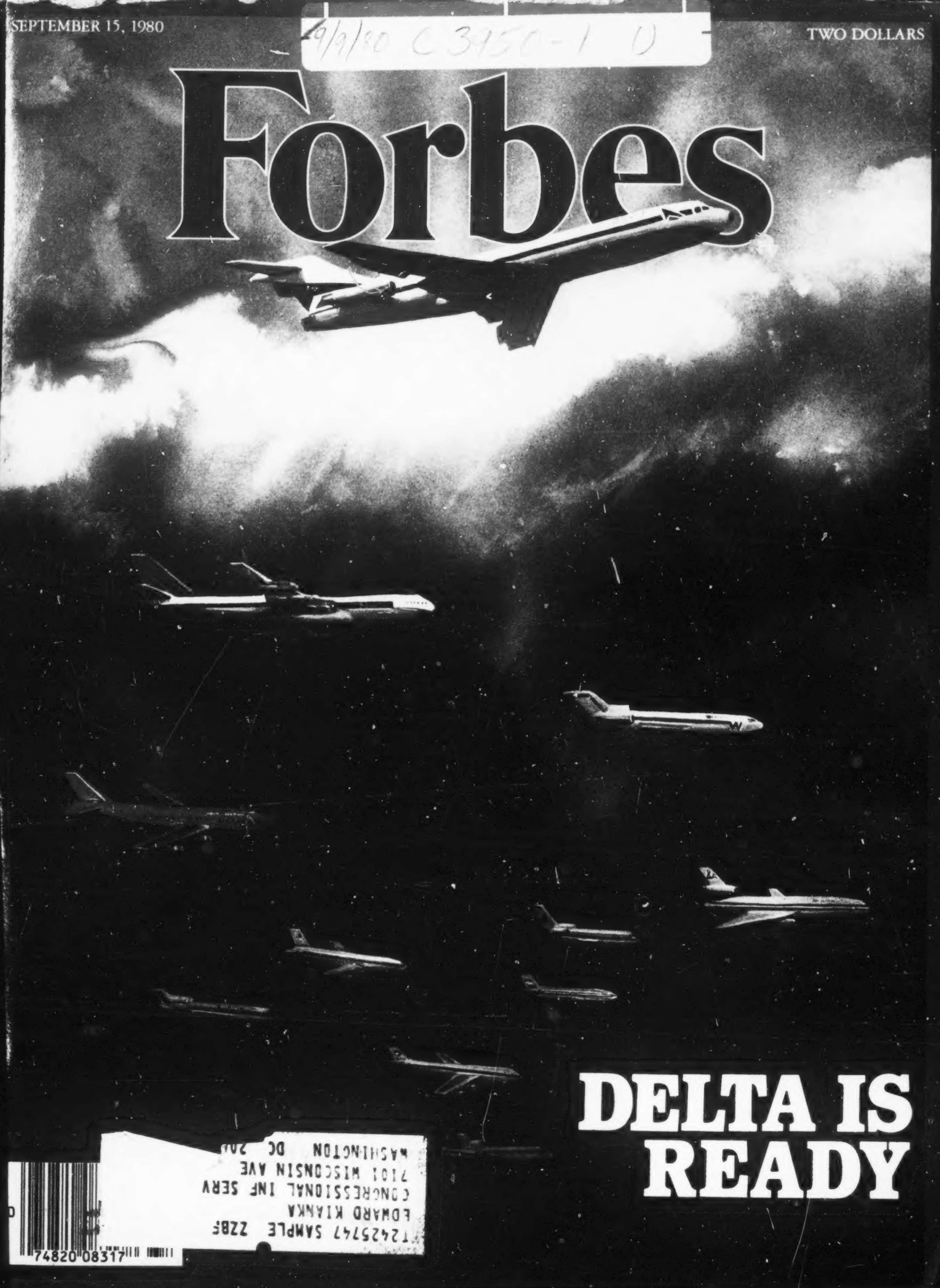

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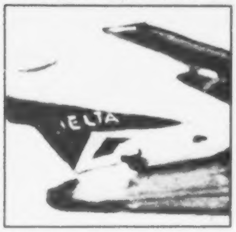
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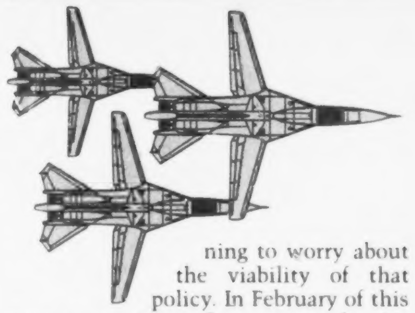
Is our national defense weak because we aren't spending enough money? Or because we are spending it in the wrong way?



The great push-button delusion

By Subrata N. Chakravarty

BEGINNING IN JULY THE U.S. airlifted 500 men and over 2,000 tons of equipment to Egypt. All this for a 90-day exercise for *12* F-4 jet fighters. That's right: 167 tons of equipment and 42 men per plane. Expensive? Staggeringly so. In today's high-technology military, the U.S. places its faith in small quantities of expensive, and highly complex, quality weapons with large support systems to counter the massive quantities of tanks, ships, planes and guns of the Soviet Union. Push-button warfare.

That's nothing new, of course. What's new is that the decision makers at the highest levels of the military are beginning to worry about the viability of that policy. In February of this year, in an internal memo to the Air Force and Navy that was leaked to the respected *Armed Forces Journal International*, Defense Secretary Harold Brown said: ". . . Because of our belief that we must compensate for a quantitative inferiority by ensuring qualitative superiority, that has been the direction we have emphasized in applying our technology. That choice has brought with it an increasing sophistication and complexity in equipment, as we understood it would. What we may not have understood as well were the consequences."

What are those consequences?

- The U.S. military, which moans about manpower shortages, is now the most bloated in the world. A U.S. division with its high-technology weapons now utilizes over 40,000 men with nondivisional support personnel—roughly 10,000 combatants—compared with 26,000 for a European army division and 17,000 for the Soviets.

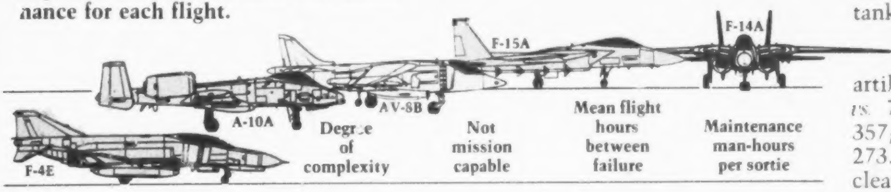
- Because the weapons are so expensive, the U.S. can't afford many of them and is now not merely outnumbered, but far outnumbered, by the Soviet Union. In 1979 the U.S. had 12,700 tanks, for example, *vs.* 50,000 for the Russians; 23,000 armored fighting vehicles *vs.* 55,000; 18,000 pieces of artillery *vs.* 40,700; 5,200 combat aircraft *vs.* 7,800. In 1980, 123 submarines *vs.* 357; 165 major surface combat ships *vs.* 273. Only in aircraft carriers is the U.S. clearly ahead: 13 to 2.

The lineup is, of course, not merely the U.S. versus the U.S.S.R. but the U.S. and NATO versus the U.S.S.R. and the Warsaw Pact nations. Add in those figures and the gap narrows, but only somewhat *(see table, p. 50)* and, overall, the gap is widening. The 1980 figures due to appear shortly are expected to show an imbalance worse than 1979's. The Soviets are outproducing us every year. In fiscal year 1981, for example, the U.S. Army will order 569 of its XM-1 Abrams tanks; the Soviets produce around 2,600 tanks a year. The U.S. will produce 378 combat aircraft in fiscal 1981 to the Soviets' 1,000-plus; 530 armored vehicles to 3,600; 96 helicopters to 500. Only in shipbuilding are the figures even close: nine major fighting surface ships for the U.S. to ten for the Soviets, and two U.S. attack submarines to five Soviet ones.

A paradoxical result of the U.S. attempt to emphasize quality—or rather

Keep 'em flying . . . when you can

Below, the Defense Department's own evidence of the huge cost of keeping complex military aircraft fit for duty. The data are from an internal memorandum published without the Pentagon's authorization (or verification). Note the high correlation between complexity and reliability. The Air Force's variable-wing F-111D was "not mission capable" two-thirds of the time and required more than 98 hours of maintenance for each flight.

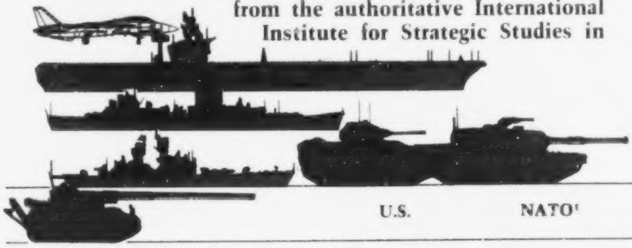


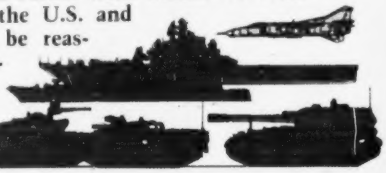
	Degree of complexity	Not mission capable	Mean flight hours between failure	Maintenance man-hours per sortie
Air Force				
A-10	low	32.6%	1.2	18.4
A-7D	medium	38.6	0.9	23.8
F-4E	medium	34.1	0.4	38.0
F-15	high	44.3	0.5	33.6
F-111F	high	36.9	0.3	74.7
F-111D	high	65.6	0.2	98.4
Navy/Marine Corps				
A-4M	low	27.7%	0.7	28.5
AV-8A	low	39.7	0.4	43.5
A-7E	medium	36.7	0.4	53.0
F-4J	medium	34.2	0.3	82.7
A-6E	high	39.3	0.3	71.3
F-14A	high	47.1	0.3	97.8

Source: Armed Forces Journal International, *May 1980*

The tilting balance of conventional terror

In the troops and weapons it can bring to bear in anything short of nuclear war, the Soviet bloc has been gaining strength in virtually every way compared with its allies. (An analysis due in early September from the authoritative International Institute for Strategic Studies in London was expected to report further Soviet gains.) Numbers alone, of course, cannot tell the whole story in matters so complex as military strategy and tactics. Undoubtedly a major factor in the Soviet buildup, for example, is its 4,000-mile border with China. Nevertheless, the numbers give the U.S. and its allies no reason to be reassured about Soviet intentions or Soviet capabilities.





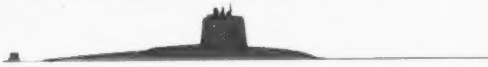
		U.S.	NATO[1]	Total	Total	Warsaw Pact[2]	U.S.S.R.
Personnel	1979	2,022,000	2,859,221	4,881,221	4,763,000	1,105,000	3,658,000
	1975	2,130,000	2,941,250	5,071,250	4,496,000	921,000	3,575,000
Helicopters	1979	8,510	2,743	11,253	4,331	596	3,735
	1975	8,000	2,646	10,646	2,748	498	2,250
Combat aircraft	1979	5,225	3,292	8,517	9,930	2,120	7,820
	1975	7,646	3,319	10,965	9,936	2,126	7,810
Tanks	1979	12,675	15,971	28,646	64,370	14,370	50,000
	1975	10,530	13,023	23,553	55,265	15,265	40,000
Armored vehicles	1979	22,950	30,224	53,174	75,285	20,285	55,000
	1975	16,950	19,205[3]	36,155	39,600	4,600[3]	35,000
Artillery[4]	1979	18,000	15,357	33,357	49,225	8,525	40,700
	1975	16,600	6,201[3]	22,801	32,633	7,633[3]	25,000
Aircraft carriers	1979	13	4	17	2	0	2
	1975	15	5	20	0	0	0
Other major surface combat ships	1979	165	235	400	281	8	273
	1975	164	260	424	243	7	236
Submarines[5]	1979	80	135	215	256	8	248
	1975	75	138	213	118	8	110

[1] Belgium, Britain, Canada, Denmark, France, Federal Republic of Germany, Greece, Italy, Luxembourg, Netherlands, Norway, Portugal, Turkey.

[2] Bulgaria, Czechoslovakia, German Democratic Republic, Hungary, Poland, Rumania [3] Figures may be significantly understated.

[4] Excludes missiles and antiaircraft guns. [5] Excludes ballistic missile submarines

Source: International Institute for Strategic Studies



complexity—over quantity is that the U.S. often falls behind in quality as well for long periods of time. The current U.S. main battle tank, for example, is the M60, which appeared in 1959. The new Chrysler-built XM-1 will have a revolutionary engine, revolutionary armor, a revolutionary fire-control system and, eventually, a larger gun. But since 1965, while the U.S. fiddled with its ideal tank, the Soviets have introduced four new generations of tanks, each one a significant improvement over the last. The XM-1, when it arrives in quantity in 1982 or later, may well be better than the Soviets' current T72—indeed, Dr. William J. Perry, undersecretary of defense for research and engineering, says it will be 20% to 30% better. But for 15 years American soldiers have been facing progressively improved Soviet tanks in an increasingly obsolescent tank of their own. "American weapons development—in my opinion wrongly—goes for order of magnitude improvement and all-round improvement," says Edward Luttwak of Georgetown University's Center for Strategic & International Studies, an adviser on defense policy to Ronald Reagan. Luttwak, a highly regarded military analyst, adds: "In the Soviet case you improve the characteristics one by one in sequential modification."

Secretary Brown's February memo went further. It said:

"It is time to reexamine our technological emphasis on performance to see whether the improvement we sought in combat effectiveness exists now as much in fact as it did in theory when we made the choice. If it does not, as is strongly implied, we must consider redirection of our technology away from sheer performance in favor of less complex and more practical weapons that we can buy in greater quantity, that we can support generously in the field, that we can maintain easily with service personnel, that we can train realistically with in peacetime and that will be more reliable and available and, on balance, more effective in war."

Here's an irony: The less-is-better, quality-over-quantity, push-button-warfare concept represents a sharp break with the U.S. weapons policies that played such a major role in winning World War II. When Franklin D. Roosevelt electrified the world by calling for production of 50,000 airplanes in 1944 he was, in effect, saying to the Axis: We will bury you in sheer numbers of equipment, we will crush you under the weight of our steel. It was the Germans who led in jet aircraft technology and in missile technology, but German technology went

Of tanks, turtles and frogs

T62 Tank

T72 Tank

The current U.S. main battle tank, the M60, first appeared in 1959. Its replacement, the new XM-1 now undergoing field testing, will be vastly improved—revolutionary, the Defense Department claims—in its engine, armor, fire-control system and, eventually, its gun. In the intervening 20 years, meanwhile, the Soviets have introduced four new tanks, each an improvement on some specifics of its predecessor. While the Soviets make turtlelike progress, the U.S. opts, at some risk, for a froglike leap.

M60 Tank

XM-1 Tank

down under the impact of workmanlike but workaday U.S. tanks, ships and aircraft. The Axis laughed at Roosevelt, regarding it as mere propaganda. In the end the U.S. made that goal look like peanuts, producing 104,000 airplanes in 1944 alone, 16,000 tanks a year and 104 ships in just 2 years.

These WWII machines weren't fancy. Henry Kaiser's famed Liberty Ships were unlovely tubs. But they were cheap and they did what they were supposed to do—they got the men and equipment to Europe in large numbers. In WWII the M4 Sherman tank was possibly the least impressive tank in Europe. But waves of them overwhelmed Hitler's outnumbered technological marvels, the Panthers and the Tigers. American equipment may not have been the best, but it carried the day because there was so much of it.

The U.S. has adopted exactly the opposite strategy since then. But the Soviet Union has not. "Quantity has a quality all its own," said V.I. Lenin. Soviet Admiral Gorshkov puts it another way: "Best is the enemy of good enough," meaning that insisting on the best equipment instead of good enough to do the job may jeopardize the ability to do the job at all. Says Professor John Erickson of Edinburgh University, an expert on the Red Army: "The Russian equipment is not so sophisticated, and it is soldier-proof." The late General Creighton Abrams, after whom the XM-1 is named, once was reported as saying after inspecting a captured Soviet tank: "It didn't have all the fancy things the colonels want in our tanks, but it could do every damn thing you want a tank to do."

The difference in the two approaches involves things familiar to any businessman. One is the difference between the learning curve and the drawing board—between production and R&D.

The Soviets tend to produce a weapon and then improve it, not only in tanks but in ships and planes as well. Only in the past decade did they launch the first two of their Kiev-class aircraft carriers—small carriers with vertical-and-short-take-off-and-landing planes, much smaller than the U.S.' huge nuclear Nimitz-class supercarriers. Now, however, a full-flight-deck nuclear-powered Soviet carrier is apparently on the way. Starting with submarines on average much smaller than those of the U.S., the Russians are due soon to deliver the first of their new Typhoon class; at 20,000 tons it is bigger than the U.S. Trident. They have introduced several new aircraft since 1970 and more are known to be coming.

The Soviets, don't avoid revolutionary improvements completely. The Soviet guided-missile ships were a revolutionary new response to aircraft carriers, and Russia's BMP mechanized infantry combat vehicle was designed from the ground up to replace the boxy armored personnel carriers of World War II.

But the Soviet Union clearly emphasizes evolution while the U.S. strives for revolution. It is rather like a race between a frog and a turtle. The turtle plods along while the frog sits still. Every once in a while the frog jumps, ahead of the turtle, it is to be hoped. But a just-released study by John M. Collins, senior specialist in defense at the Library of Congress, indicates that often the U.S.-Soviet military balance is otherwise. In many areas of practical technology, Collins says, the Soviets have moved ahead of the U.S. *(see table, p. 56)*.

"It has come to this," says one staff assistant for defense with a senator on the Armed Services Committee. "You get someone saying we shouldn't buy more Improved Hawk air-defense missiles because we're going to have a Patriot air-defense system that will have all of these whiz-bang things. Okay, so you stop producing I-Hawks. Then the guy comes back and says it's taken us a little bit longer—20 years longer—to develop the Patriot than we thought it would. Then you find that the Patriot even after a 20-year development period does not have all the capabilities that were promised for it."

That's the disadvantage of staying on the drawing board instead of getting on the learning curve. It's not much different when an army does it than when a company does it—except that the stakes are so much higher.

Every high-technology company, too, knows how programs lag and reliability suffers when technology itself, instead of the market and the constraints of manufacturing, begins dictating the product line—when engineers begin doing things solely because nobody has ever done them before. Something like this may have been happening in the U.S. military ever since WWII. It was exacerbated by the McNamara era in the Pentagon, which saw the ascendancy of systems analysis in weapons-procurement decisions.

Like the McNamara computers that kept telling us we were winning in Vietnam, the McNamara systems analysis was increasingly theoretical. Add to that the constant pressure by Congress and the voters to reduce costs, and the temptation to stake all on state-of-the-art technology was overwhelming. "We all have a shared responsibility for the fact that the armed forces of this country are junkies for technology," says Frank Gaffney, staff assistant for defense affairs to Senator Henry Jackson.

It has led to such curious enterprises as the effort to get the F-4 up from Mach 1.7 (Mach 1 is the speed of sound) to Mach 2. In a recent article in the *Naval War College Review*, two Air Force officers, Major Charles Fox and Lieutenant Colonel D.A. Lorenzini, point out, "In representative combat situations, the F-4 will run out of fuel long before it gets to Mach 2."

Curious, too, is the Army's 9-year effort to develop a turbine engine for the XM-1 tank. Gas turbines have already been rejected by the Germans, the British and the Soviets because of their high susceptibility to dust (with which battlefields abound), their relatively poor fuel efficiency and need for large air intake vents, which makes the tank more vulnerable. These are strict battlefield criteria. The Army picked the gas turbine because it gives greater acceleration and therefore greater agility. But that advantage is offset by the additional fuel weight it must carry to range as far as a diesel-driven tank.

Says Luttwak: "The U.S. Armed Forces have drifted away from the values of the military profession, which is combat capability, and has been seduced into the pursuit of engineering and managerial efficiency for its own sake." Lieutenant General Orwin C. Talbott, former commander of the First Infantry Division, says the fascination with technology comes from "all these Pentagon scientists trying to get the last ounce out of technology whether or not they're able to apply that last ounce effectively on the battlefield. The longer a man is in a command position in the battlefield, the less enamored he is of the technological edge and the more obsessed he becomes with trying to make what he has work."

As any company trying to meet government antipollution standards will tell you, the cost of 85% compliance is relatively low; the last 15% may cost double or triple. The same in the military. In a 1978 article in *Foreign Affairs*, Air Force Colonel Richard G. Head estimated that the cost per unit of new weapons had increased an average of 4½ times every decade in constant dollars since 1950, while improvements in existing designs only increased by a factor of two.

Result: fewer of everything. When an F-14 costs close to $23 million, the Navy gets only 467 instead of the 521 it says it absolutely needs and the 700-plus it originally wanted. There can be only 729 of those $20 million F-15s, only 7,000 of the $1.5 million XM-1s, only one or two of the $2.4 billion nuclear aircraft carriers. Each generation, the number of weapons that can be purchased decreases because the costs increase.

Some of the consequences are almost ridiculous. Like a family in straitened circumstances insisting on serving champagne and caviar while it can't buy milk for its children, the U.S. splurges on high technology but actually runs short of ammunition (FORBES, *Sept. 1*). Because so much is spent on $20 million-plus airplanes, $1 million missiles and $2 billion carriers, supplies are short all along the line. When the U.S. resupplied Israel after the 1973 Mideast War, for example, it had to take equipment intended for front-line U.S. Army units in Europe and National Guard units at home; the Soviet Union, on the other hand, resupplied its Arab clients from its spare inventories.

That, in turn, reduces training. For example, the U.S., according to the Brown memo, has never conducted operational training with an F-14 fighter firing Phoe-

The new balance in technology

Western brainpower no longer is (if, indeed, it ever was) a complete substitute for Soviet brawn. Below, an assessment of how the two military superpowers compare in applying high technology to particular weapons. The judgments are those of John M. Collins of the Library of Congress after a comprehensive two-year study and were made public by Congress only last month.

	U.S. superior			U.S.S.R. superior	
Applied Technology[1]	lead solid or enlarging	Soviets closing gap	Parity	U.S. closing gap	lead solid or enlarging
Airborne radar (AWACS)		X			
Aircraft					
Avionics		X			
Fixed-wing		X			
Helicopters		X			
VSTOL/VTOL		X			
Wide-bodied transports	X				
Air defense missiles (surface-to-air: SAM)					
Land-based					X
Shipboard				X	
Air-to-air missiles		X			
Air-to-surface missiles		X			
Armored vehicles					
APC, AFV					X
Main battle tanks				X	
Artillery/rocket launchers					X
Command/control and communications					
Integrated naval				X	
Strategic	X				
Tactical		X			
Chemical/biological warfare					X
Cold-weather equipment					X
Cruise missiles					
Antiship				X	
Strategic	X				
Theater	X				
Electronic countermeasures					X
Electronic counter-countermeasures					X
Fire-and-forget weapons	X				
Ground-effect machines					
Air cushion (land, water)					X
Surface-effect ships	X				
Wing-in-ground					X
Intelligence sensors	X				
Land transport			X		
Look-down, shoot-down		X			
Munitions					
Artillery	X				
Precision-guided[2]	X				
Mine warfare					
Land	X				
Naval					X
Neutron weapons	X				
Night vision		X			
Radar sensors			X		
Small arms					X
Space systems					
Antisatellite					X
Surveillance/recon		X			

[1] These items are not necessarily deployed, and if deployed are not necessarily in strategically significant quantities. Failure to achieve superiority sometimes reflects deliberate design decisions. Status could be reversed rapidly in such cases. [2] One of nine rapidly evolving research programs with great potential for technological surprise, according to a consensus in U.S. military and intelligence communities.

Source John M. Collins, U.S.-Soviet Military Balance Concepts and Capabilities 1960-1980.

nix missiles against multiple targets, its primary role for protecting the U.S. fleet from attack, because each Phoenix costs nearly $1 million. Although 1,400 to 1,500 aircraft carry the Maverick air-to-ground missile, the U.S. can afford to fire only 200 each year. In contrast, U.S. pilots flying the close-support A-10 aircraft are able to train with live ammunition because it is cheaper to use 30mm cannon shells. A decade ago, Air Force pilots flew 26 hours of training per month. In fiscal 1979 they flew far more complex planes only 16 hours.

The more complex the weapon, too, the more maintenance problems there are, as the Brown memo made clear *(see table, p. 49)*; and in today's volunteer army that maintenance is done by ever-less-capable military personnel. In fact, the task is often beyond them. "We're moving toward relying on factory manpower as opposed to blue-suit [uniformed] manpower to maintain sophisticated weapons systems," says Frank Gaffney. "I don't know how you fight a war when you have to send equipment back to the plant for spare parts."

The F-15 fighter. It has an "avionics intermediate shop" machine to test its highly complex systems. The diagnostic machine itself has over 40,000 parts, which fail frequently. Result: The Air Force has a problem just maintaining a parts inventory for the machine, which is down 50% of the time.

It is true, of course, that U.S. military equipment in the hands of the Israelis has beaten Soviet equipment manned by Arab armies. Does that vindicate quality over quantity? Not necessarily. The superior training, education and motivation of the Israeli citizen army undoubtedly plays the major role. It would be more than a little dangerous to assume that the Israelis win only because they have American equipment. Says Jeffrey Record of the Institute of Foreign Policy Analysis and another Reagan adviser: "We've reached the point now where we may have the most elegantly equipped Army but one that is simply too small to be able to survive anticipated rates of attrition." Adds Luttwak: "It's not necessarily that numbers allow you to overwhelm the enemy. It's that numbers give you flexibility and maneuverability. That's why there is terrible danger in what we're doing—terrible danger."

Edward Luttwak of Georgetown University

"The U.S. has been seduced into the pursuit of engineering efficiency."

Secretary of Defense Harold Brown

"We may not have understood the consequences."

Will the military's internal debate lead to any fundamental changes? The signs are mixed. Internally, Secretary Brown calls for a reexamination, but publicly, he has stated that our technology will "save" us. In congressional testimony in January Deputy Defense Secretary W. Graham Claytor Jr. said: "We intend to avoid the 'wonder weapon' syndrome that infatuated the Third Reich in the latter stages of World War II." Yet Pentagon-sourced stories proclaim the impending obsolescence of tanks and planes because of the arrival of "fire-and-forget" homing missiles. The fact is that precision guided munitions have not been nearly as effective in battle, where targets can react, as they promised to be in theory against sitting ducks. Missiles used in Vietnam had an accuracy of only 10% to 20%. The new generation of wonder weapons promises to be complex, hard to maintain and enormously expensive. The first fire-and-forget missile, the Sidewinder, cost $3,000 when it was used in Vietnam. The "improved" Sidewinder, according to one expert, will cost around $160,000.

Meanwhile, the XM-1 goes ahead at $1.5 million a copy, as do the $900 million Aegis cruiser and the F-15, along with a good deal of wishful thinking about—irony on irony—the increasing complexity of the *Soviet* military effort. "Ex-Defense Secretary James Schlesinger pointed out years ago that the Soviets are now in the grip of an R&D cartel that will make ours look like little Boy Scouts," says one former defense official. "They have now fallen prey to the complexity disease. The one encouraging thing about the whole trend is that we've sold complexity to the Russians and they'll do worse with it than we did."

Counting on one's opponent to make mistakes is a poor strategy, however. The superficially attractive idea that push-button technology can somehow eliminate the need for a citizen army and large-scale military production could well turn out to be the ultimate, fatal opiate of American democracy. ■

What's as good as owning a producing oil well? Owning standing redwood. Judging from Pacific Lumber, redwood might even be better

World's biggest dwarf

By Nick Galluccio

Robert B. Hoover, 64, chairman and CEO of San Francisco's $258 million (sales) Pacific Lumber Co., has two high-class worries: how to spend the money his company makes, and how to justify what he has—or hasn't—done with all that cash.

The money pressure is no joke. In the last 18 months Hoover laid out $30 million cash for acquisitions, and he still had enough left over to pay out 60% of last year's earnings ($49 million) to company shareholders—nearly twice the payout of most forest products companies. PL's 31% return on its $160 million average equity is the industry's highest. Also, that's high-class return: Compared with its competitors, whose balance sheets are loaded with debt, PL is debt-free.

PL's wealth stems from what it owns: the largest U.S. stand of redwood timber, 165,000 acres concentrated in California's Humboldt and San Mateo counties, where rain and fog combine with proper soil conditions to produce this fire- and bug-resistant tree whose lumber retails for twice the price of most lumber. PL owns 24% of the industry supply; and with the price of redwood rising sharply, company profit has gone through the roof—up 127% since 1975. While PL's stock sold recently at 53, its timber value per share *(see table)* is well over $100, giving the company a total asset value, not counting diversifications, of $1.3 billion—roughly the same as Louisiana-Pacific, with 5 times PL's timberland.

PL also profits from its own prudent practices. For every tree it cuts, it grows one; analysts insist other companies don't replenish all the redwoods they harvest. Moreover, PL owns some 30% of the industry's higher-quality, old-growth trees—the big 100-to-300-year-old trees with more prime lumber.

Even luck and Uncle Sam seem to have conspired in favor of PL's position. Because of federal condemnation over the last dozen years of redwood timberlands for additions to California's Redwood National Park, plus the industry's aggressive harvesting, the standing inventory of redwood timber today is at only 16 billion board feet, half what it was in 1952. But as luck would have it, back in the last century PL founder Simon J. Murphy chose timber tracts that proved to be located far from the national park (though PL lost some land earlier to the state). By contrast, redwood companies like Arcata (FORBES, *Aug. 18*) and Louisiana-Pacific lost thousands of redwood acres to Uncle Sam.

With this bonanza on its hands, the first thing the company thought was to invest in more redwood timberlands. Alas, no acreage was available at prices that PL could even consider, so it began looking outside the lumber business. But many acquisitions there would have involved use of stock; and, says Hoover, "We are very jealous of our stock's value and aren't interested in diluting it." The one exception the company made was back in 1970 when it bought Victor Equipment, an acetylene-torch maker. (Five later acquisitions were for cash.)

Victor was never a bonanza like redwood, but the company's acetylene torches—used, for example, to cut steel beams and girders in the construction of skyscrapers and offshore oil drilling platforms—have already grabbed 40% of the U.S. market. Last year cutting and welding equipment accounted for half of company sales and a third of operating profits, and Hoover has been willing to spend some of his redwood profits to compete more effectively against such giants as Union Carbide, Air Products & Chemicals and British Oxygen's Airco division.

Billions in the woods

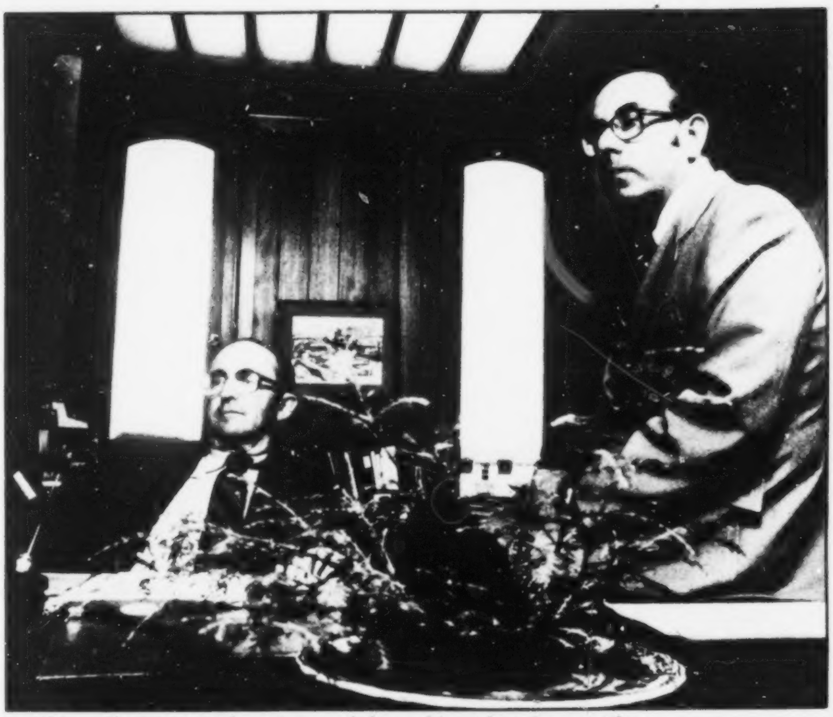
In the forest products industry, it's not just acreage but what's growing on it that determines how much a company is worth. Weyerhaeuser, for example, owns less than three-quarters the acreage of International Paper; yet Morgan Stanley estimates Weyerhaeuser's timber value at more than twice IP's. Why is Pacific Lumber in the billion-dollar class with so little acreage? It owns the world's largest redwood timber inventory.

Rank (by timber value)	Company	Acres owned (thousands)	Estimated timber value (millions)	Estimated timber value per share	Book value per share as stated	Book value per share timber adjusted	Stock price Aug 18	Timber value/ stock price
1	**Weyerhaeuser**	5,923	$9,534	$ 73	$21.05	$ 89.77	36⅞	1.98
2	**International Paper**	8,410	3,857	80	53.76	117.17	42⅝	1.88
3	**Georgia-Pacific**	4,500	3,404	31	17.99	42.98	28⅜	1.09
4	**Crown Zellerbach**	2,053	2,910	115	40.59	147.99	51	2.25
5	**Champion International**	3,066	2,120	38	27.46	58.83	27⅜	1.39
6	**Boise Cascade**	2,664	1,703	64	42.28	100.41	37	1.73
7	**ITT (Rayonier)**	1,274	1,575	11	39.14	48.91	31⅛	0.35
8	**St. Regis Paper**	3,179	1,571	48	37.44	79.58	31¾	1.51
9	**Louisiana-Pacific**	880	1,319	44	21.53	59.10	27⅞	1.58
10	**Burlington Northern**	1,492	1,294	40	65.19	105.88	42⅛	0.95
11	**Pacific Lumber**	165	1,268	106	14.33	119.50	54	1.96
12	**Scott Paper**	2,914	1,222	31	26.20	55.37	18¾	1.65
13	**Potlatch**	1,311	1,210	80	31.84	107.43	39¾	2.01
14	**MacMillan Bloedel**	1,305	1,091	51	33.52	88.59	29½	1.73

Besides absorbing some of PL's huge cash flow, the cutting and welding business helps smooth out the inevitable tendency of even redwood to rise and fall with housing.

The sorry state of home-building these days is the reason PL's earnings are off a bit this year, to $1.78 in the first six months, *vs.* $2.01 a year earlier. But far from cutting prices, Hoover has PL out cutting more redwood than it can sell. Demand is sure to return, he reasons, and there's nowhere for redwood prices to go but up. In fact, analyst Paul H. Baastad of Rowe & Pitman, Inc., who follows PL closely, believes redwood prices will climb on average by 20% a year.

In this setting, Hoover and other PL insiders worry less about temporary earnings dips than about a possible raid by some acquisition-hungry outsider. Fortunately for them, the well-heeled heirs of founder Simon Murphy's friends and relatives plus other insiders still own some 40% of the stock and are kept happy with that big dividend. But just to be on the safe side, three years ago PL's stockholders adopted an antitakeover charter amendment requiring 80% stockholder approval before any of the company's assets can be sold. Says Hoover: "We aren't taking any chances." ■



Pacific Lumber's CEO Robert Hoover (left) *and President Gene G. Elam*

Welding is booming and beautiful, but it ain't redwood.

Is the tide turning against investing in "tangibles" in favor of securities? Don't bet on it, says Bob Salomon, who wishes it weren't so.

Stocks? Or collectibles?

The Money Men

By Thomas C. O'Donnell

IF YOU COUNTED ON the rising value of your home—or perhaps your collection of rare books or Chinese ceramics—to beat inflation during the past year, you came out a loser. Robert S. Salomon Jr., a general partner in Salomon Brothers, recently made his annual report on comparative investments. According to the report, the Consumer Price Index (through June 1, 1980) jumped by 14.5%, while rare books gained 14%, Chinese ceramics 13.1% and housing 10.4%.

Salomon is head of equity policy at the huge block-trading firm—and bearer of one of Wall Street's proudest names. In short, Bob Salomon is a stock market man. So, he's not displeased that some so-called tangibles failed to keep up last year. "There is an ongoing confrontation between tangible and financial assets," asserts the straight-talking 43-year-old money man. "Tangibles have been winning because they have achieved returns higher than the CPI while financial assets have lost ground to inflation."

Stocks, Salomon's stock in trade, did do a bit better last year. They rose 12.5%. But that still wasn't enough to keep up with the CPI and it was paled by gold which soared 104% during the year, oil, a 92.4% gainer, and even silver which, despite a plunge from its near $50-per-ounce level in January, posted a 76.8% rise. Bonds, however, actually declined by 3.1%.

Although Salomon puts out a report on the stock market every month, his annual review of comparative investments (this is the fourth) has become almost as eagerly awaited by portfolio managers and sophisticated investors as the market comments of the firm's highly influential economist, Henry Kaufman. Especially so this year. "This report has given investors intellectual justification for buying stocks," says one. No question: The belief that stocks are bargain-priced has been a major factor in the recent rally that has seen the Dow Jones industrial average soar by more than 200 points since April.

A dreary decade for stocks and bonds

Gold and oil were the best investments during the 1970s. Both posted a compounded annual rate of return of 31.6%. Stocks with a 6.8% gain and bonds with a 6.4% increase failed even to match the CPI, which rose by 7.7%.

	10 years	Rank	5 years	Rank	1 year	Rank
Gold	31.6%	1	28.4%	3	104.0%	1
Oil	31.6	2	17.7	7	92.4	2
Silver	23.7	3	27.3	4	76.8	3
US stamps	21.8	4	31.0	2	43.2	4
Chinese ceramics	18.8	5	38.7	1	13.1	11
Rare books	16.1	6	12.7	10	14.0	10
US coins	16.0	7	21.9	5	25.3	5
Diamonds	15.1	8	18.3	6	25.0	6
Old masters	13.4	9	15.2	8	17.4	7
US farmland	12.6	10	13.4	9	14.3	9
Housing	10.2	11	11.6	11	10.4	13
Consumer Price Index	7.7	12	8.9	12	14.5	8
Foreign currency*	7.5	13	8.4	13	4.5	14
Stocks	6.8	14	6.4	14	12.5	12
Bonds	6.4	15	5.8	15	–3.1	15

*West German mark, Japanese yen, Swiss franc and Dutch guilder.

Source: Salomon Brothers

However, Bob Salomon isn't doing any celebrating. He's not convinced that equities have really turned the corner. Says he: "Significant amounts of money are being diverted into areas that are unproductive." Sitting in his sparsely furnished corner office that looks down on New York's financial district 41 floors below, Salomon adds: "Incentives must be provided for increased investment in financial assets."

Isn't that incentive being provided by the current bull market? Only for the near term, he says. "Stocks are benefiting from an easing of inflation and a cyclical decline in interest rates. But for the long run, nothing has been done to relieve the root causes of inflation. So a sustainable rally has not begun."

This view, of course, places Salomon in a distinct minority on Wall Street. "I realize that institutional investors disagree with me more now than they have anytime in the past. But I'm more comfortable when the majority has a different view than when it agrees with me,' he says with typical frankness.

Salomon comes by his confidence concerning investment markets quite naturally. His grandfather was one of the founders of Salomon Brothers and his father was a floor broker on the Big Board. In 1975 his uncle William (Billy) Salomon, then the firm's managing partner, wooed Salomon away from U.S. Trust, where he had been managing money ever since his graduation from Amherst in 1959. Although he looks like a dealmaker, he prefers the intermediate position between wheeling and dealing and pure research.

The idea for tracking the relative performance of tangible and intangible investments came by accident. Following an optimistic speech he gave on the equity market in San Francisco in 1977, an elderly investor asked Salomon to explain why all his holdings except stocks had shown a gain in recent years. "He tore me apart with his questions. And I wanted to see if his experience had any relevance for other investors."

That's an interesting thing about Bob Salomon. He isn't awed by the academic sages and big professionals. He thinks as much can be learned by watching what the so-called little fellow does. He doesn't subscribe to the idea the odd-lotter is always wrong.

"Individuals are not burdened by institutional constraints," is the way he puts it. "Their unexpected success in real estate has prompted them to look at other hard assets."

Salomon contends that last year's

slowing of housing prices was only temporary and he believes the worst for the housing market is over.

But cash-heavy institutions are unable to invest in housing and other tangibles to the degree that individuals can. So where will they put their money during this decade? Without skipping a beat, Salomon predicts: "They'll gravitate toward alternative investments that *look* like securities, such as futures, options, mortgage pools, foreign securities, venture capital and indexed bonds. And additional security-like alternatives could also be created."

So, that's the bad news for right now: Bob Salomon isn't particularly bullish on the stock market. He is particularly bearish about oil stocks. "The fundamentals of the oil business are deteriorating," he says. "I began writing about the oil glut early this year, but nobody's listening. When I talk to portfolio managers about it, they ask, 'How can you fight the tape?' "

Salomon of Salomon Brothers
"A sustainable rally has not begun."

Talking to portfolio managers and other investors around the world takes up the bulk of Salomon's time. He finds himself traveling about one week in four. When not on the road, Salomon commutes by train from his home in Connecticut all the way to his office in lower Manhattan, arriving a litle before 8 a.m., departing usually by 5 p.m.

Fittingly enough, his hobbies include collecting coins, which rose 25.3% last year, and stamps, which did even better, jumping 43.2%. Yet don't such fantastic price rises mean that the tangible-investment bubble is about to burst? Salomon doesn't think so. "The market in collectibles now encompasses a spectrum of obscure items from beer cans to worthless—in an operating sense—securities. The breadth of interest suggests there is a limit to the downside risk in such investments."

That is, of course, until inflation cools and a major bull market begins—something Salomon doesn't expect to happen anytime soon. "Too many people have learned how to play and win the inflation game," he says, shaking his head. "They have a vested stake in high and rising inflation.

Don't throw away those campaign buttons. ■

SEPTEMBER 29, 1980

TWO DOLLARS

Forbes

ORGANIZED CRIME

UNREGULATED, UNTAXED, UNSTOPPABLE

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T2425747 SAMPLE 22BF
EDWARD KIANKA
CONGRESSIONAL INF SERV
7101 WISCONSIN AVE
WASHINGTON DC 20014

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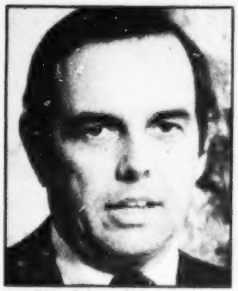

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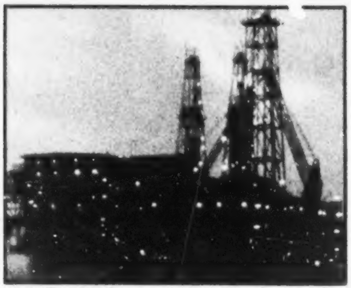

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No less than 450 major U.S. companies are in the red. An opportunity for the courageous?

Red doesn't mean dead

PROBABLY NOT SINCE the days of conversion from war production to civilian production at the end of World War II have major U.S. corporations hemorrhaged so much red ink. Chrysler dropped $1.8 billion over 12 months. White Motor filed for bankruptcy. The bleeding is going to get worse before it eases up.

Consider this: In the most recent 12 months one in every ten of the 4,500 actively traded public companies in the U.S. will show red ink. The table below lists many of them.

The table shows that Detroit's problems have spread to many auto-related industries. Most of the stocks in the table are selling way below book value. Although some of the underlying assets are of questionable value—there are very few people in the market for bias-ply tire plants or fuel-thirsty 707 aircraft—many assets are probably worth at least stated book value, if not more. Ford is a good example. In a good year Ford can make $14 a share—the present price reflects a potential P/E of less than 2.

If and when these moneylosing companies return to profitability, most will have juicy tax-loss carryforwards. Potential tax-loss carryforwards also have value in the acquisition game. Other than giants such as Ford and Chrysler, many of the moneylosing firms are tempting, and possibly willing, acquisition targets.

Behind the bad news there's cause for optimism. Large writeoffs explain many losses, and bloodletting and axing of unhealthy operations will undoubtedly leave many firms with healthy cores.

If the time to buy is when nobody wants 'em, this may be the time to buy some of these stocks. Which ones? The ones that turn adversity to good use by cutting costs. The ones that are essentially healthy and attractive as takeovers once the losses stop. The smart investor would probably buy a package of the stocks rather than just picking one or two. When you take risks, it's always a good idea to spread the risk.—*Steve Kichen*

Damage report

The 90 companies listed below—all of them with annual sales of more than $125 million—lost over $5 billion in the latest 12 months. Needless to say, very few companies on this list are currently paying dividends.

		Recent 12 months						
Company (Industry)	Recent price	sales (000)	loss (000)	loss per share	1979 earnings per share[1]	1978 earnings per share[1]	Book value per share	Book/ price
Chrysler (automotive)	8⅞	$10,011,900	$–1,821,300	$–27.89	$–17.18	$ –3.54	$8.82	0.99
Ford Motor (automotive)	27¾	37,899,900	–569,400	–4.75	9.75	13.35	79.20	2.85
Itel (leasing)	2½	NA	–393,100E	–34.00E	–37.00E	3.86	NA	—
US Steel (steel)	22⅜	12,572,300	–388,800	–4.55	–4.46	2.85	58.01	2.59
Intl Harvester (agricultural equip)	31¾	6,485,779	–269,921	–8.76	12.01	6.14	61.80	1.94
Uniroyal (tire & rubber)	4⅞	2,309,588	–138,107	–5.20	–4.54	0.04	16.89	3.46
Braniff Intl (airline)	6½	1,462,418	–130,880	–6.57	–2.21	2.26	8.77	1.35
First Pennsylvania (banking)	5½	1,037,533	–112,413	–7.21	1.06	1.98	14.94	2.71
Firestone (tire & rubber)	7⅞	5,034,100	–98,000	–1.70	1.35	–2.58	25.02	3.17
Pan Am World Airways (airline)	5⅝	3,051,509	–93,272	–1.31	1.07	2.31	9.14	1.62
Massey-Ferguson (agricultural equip)	7¾	3,218,129	–89,482	–5.33	–3.65	–14.84	25.15	3.24
Food Fair[2] (groceries)	2⅞	1,547,987	–85,720	–11.66	–27.94	–7.51	neg	—
American Airlines (airline)	9⅛	3,459,320	–77,710	–3.12	2.63	4.27	24.24	2.65
Sambo's Restaurants (fast foods)	6¼	546,373	–75,124	–5.90	–6.06	0.59	2.31	0.36
American Motors (automotive)	5⅝	2,952,638	–61,697	–1.92	2.24	0.80	11.54	2.05
City Stores[2] (retail)	3¼	252,060	–58,494	–17.93	–17.24	0.30	7.29	2.24
White Motor[2] (automotive)	5	1,111,178	–56,577	–6.17	0.67	–0.06	18.75	3.75
UNC Resources (mining)	15¼	270,625	–44,452	–4.16	–3.20	3.84	14.37	0.94
UAL (airline)	20½	4,787,333	–44,001	–1.49	–2.50	11.93	36.57	1.78
Fedders (air conditioning)	4¼	154,801	–40,542	–3.84	–3.61	–0.07	2.16	0.50
Trans World Corp (airline)	17¾	4,694,463	–39,722	–3.68	–0.41	4.54	15.15	0.85
Continental Air Lines (airline)	8⅛	980,105	–31,793	–2.08	–0.87	3.29	13.03	1.60
Seatrain Lines (shipping)	6½	1,219,220	–23,995	–1.60	–2.42[3]	0.77[3]	0.55	0.08
Texfi (textiles)	3⅝	160,068	–23,966	–6.95	–0.98	0.97	7.71	2.12
Combustion Equipment (machinery)	9⅛	140,462	–23,569	–2.55	–2.55	–0.66	4.02	0.44
Great A&P (groceries)	6½	6,665,962	–22,111	–0.89	–0.15	–2.10	15.23	2.34
Monfort of Colorado (beef packing)	4¼	732,231	–21,140	–4.27	–0.04	0.39	4.82	1.13

[1] For fiscal years ending July through June of the following year. [2] Chapter 11 bankruptcy proceedings. [3] Prior fiscal year. [4] Acquisition pending.
E = Estimate. NA = Not available. neg = negative. *Sources: Standard & Poor's, FORBES*

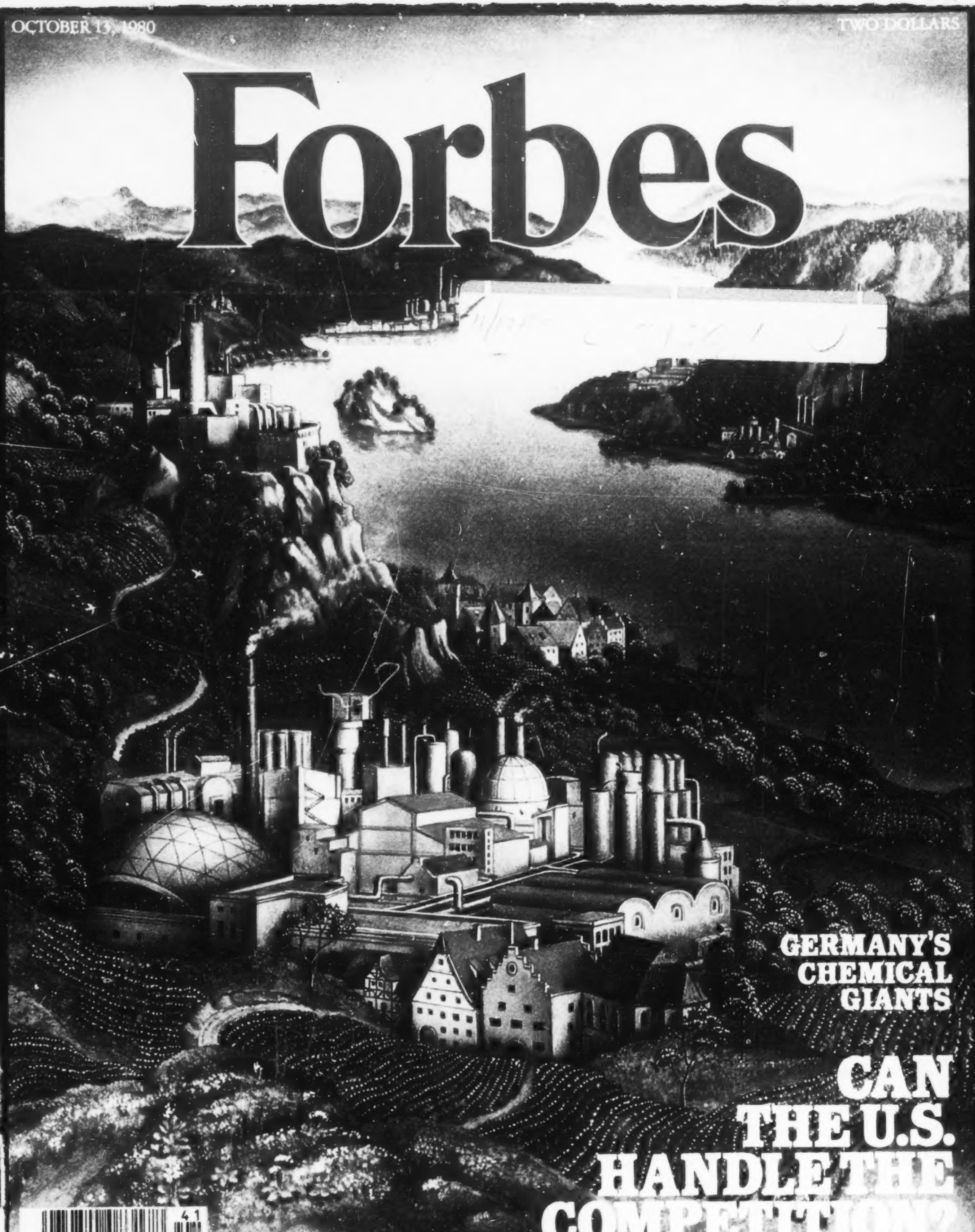
Damage report

Company (Industry)	Recent price	Recent 12 months sales (000)	Recent 12 months loss (000)	Recent 12 months loss per share	1979 earnings per share[1]	1978 earnings per share[1]	Book value per share	Book/price
Republic Airlines (airline)	8⅜	$ 687,971	$–19,595	$–0.98	$0.70	$1.42	$7.06	0.84
Arctic Enterprises (recreation)	3¾	161,104	–18,544	–5.88	–3.67	0.61	6.90	1.84
McLough Steel (steel)	7⅞	644,756	–17,703	–3.38	1.58	1.84	32.87	4.17
Winnebago Inds (mobile homes)	2⅞	94,997	–17,082	–0.68	–0.16	0.04	2.49	0.86
Envirotech (machinery)	12¼	626,112	–15,386	–3.36	–3.30	1.48	22.89	1.86
Culbro (tobacco)	10⅜	442,267	–14,924	–4.68	–6.62	–1.52	12.26	1.18
Superscope (consumer electronics)	6¼	169,796	–14,871	–6.44	–6.33	–6.71	14.74	2.35
KLM (airline)	34¼	1,627,338	–14,334	–3.60	1.82	8.04	82.51	2.41
Manhattan Industries (apparel)	7⅛	339,846	–12,980	–4.95	–5.01	–2.87	14.79	2.07
Penn-Dixie Industries[2] (cement)	3⅞	361,096	–11,984	–2.25	–2.65	–0.17	8.03	2.07
Coachmen Inds (recreational vehicles)	6¾	112,392	–11,455	–3.22	–2.60	2.29	10.49	1.55
Memorex (computers)	15⅝	749,143	–11,362	–1.94	3.91	5.65	23.68	1.51
Intl Foodservice (food service)	⅞	203,332	–11,135	–3.71	–3.92	–3.17	neg	—
Commonwealth Oil (oil retailing)	6⅛	1,260,626	–10,765	–0.83	3.93	–3.80	8.34	1.36
Goldblatt Brothers (retail)	2¼	284,201	–10,256	–3.38	–2.18	–0.57	10.07	4.47
Instrument Systems (multicompany)	13/16	201,270	–10,045	–0.30	0.07	0.05	0.79	0.97
World Airways (airline)	5	151,968	–9,587	–0.98	1.16	0.30	10.69	2.13
Champion Home Bldrs (mobile homes)	1¼	195,769	–8,730	–0.24	–0.19	0.13	0.78	0.62
Talley Inds (precision instruments)	5½	373,694	–8,730	–2.21	–1.65	1.52	9.16	1.66
Ehrenreich Photo-Optical (prec instr)	11¼	152,621	–8,650	–4.16	–4.16	1.04	10.32	0.91
Ward Foods (food processing)	10⅝	278,280	–8,533	–2.18	–1.85	1.23	2.50	0.23
Fleetwood Enterprises (mobile homes)	8⅝	472,063	–8,474	–0.75	–0.75	2.01	9.86	1.14
Valmac Industries (poultry)	14	212,315	–7,988	–3.55	–3.55	0.91	11.21	0.80
Ozark Air Lines (airline)	6⅛	228,446	–7,096	–1.03	–0.13	1.20	5.36	0.87
Filmways (recreation)	8⅝	176,263	–6,991	–1.15	–0.04	1.57	4.22	0.48
Orange-co (citrus)	6½	140,974	–5,860	–1.54	1.17	0.47	6.60	1.01
Bobbie Brooks (apparel)	4¼	210,313	–5,221	–1.14	–1.16	1.24	7.01	1.64
Gateway Transportation (trucking)	8¼	143,669	–5,173	–3.93	–4.39	–1.18	1.43	0.17
Fotomat (personal services)	5¾	211,834	–4,737	–0.55	–0.57	0.77	4.76	0.82
Tyson (food processing)	15¾	381,809	–4,360	–1.14	2.32	2.64	10.56	0.67
Ronson (electrical equipment)	2⅝	138,187	–4,348	–0.98	0.15	0.06	4.79	1.82
Dayton Malleable (metal products)	17	154,499	–4,305	–2.92	2.12	1.52	33.25	1.95
CH Masland (home furnishings)	6½	144,517	–4,265	–2.79	–1.92	1.65	20.35	3.13
Cagle's (food processing)	6	170,395	–3,773	–1.63	–0.69	2.10	6.67	1.11
Roblin Industries (steel fabricating)	5⅝	131,701	–3,662	–1.64	0.17	1.26	6.06	1.07
Bibb (textiles)	9⅝	264,648	–3,489	–2.17	1.14	3.30	40.92	4.25
Keystone Consolidated (steel prods)	9⅝	396,136	–3,450	–1.84	–1.84	0.40	59.73	6.20
Wilson Freight[2] (trucking)	1	197,184	–3,339	–1.97	–1.97	–1.30	3.09	3.09
M Lowenstein (textiles)	10½	644,599	–3,224	–0.97	–1.02	3.35	43.97	4.18
Sheller-Globe (automotive)	6⅞	544,100	–3,038	–0.85	1.84	2.31	17.42	2.53
WTC (freight service)	5⅜	167,154	–2,863	–1.35	–0.98	0.39	3.52	0.65
Victoria Station (restaurants)	9¼	128,112	–2,803	–0.93	–0.42	1.13	13.07	1.41
Standard Products (automotive)	13½	213,623	–2,760	–2.26	–2.26	4.37	31.04	2.29
Gino's (fast foods)	10½	323,794	–2,448	–0.46	–0.16	1.23	8.66	0.82
McLean Trucking (trucking)	11⅝	724,889	–2,432	–0.43	–0.43	1.44	17.65	1.51
Hayes-Albion (automotive)	10⅜	213,730	–2,358	–0.61	0.06	2.52	17.00	1.63
Elixir Industries (mobile homes)	4⅛	144,109	–2,323	–0.52	0.30[3]	0.96[3]	8.57	2.08
Laclede Steel (steel)	9	234,025	–2,323	–1.40	–0.03	2.45	29.64	3.29
Westmoreland Coal (coal)	24¾	414,853	–2,280	–0.33	0.26	0.20	26.09	1.05
Fischer & Porter (precision instr)	12⅝	176,604	–2,157	–0.81	–0.30	1.74	20.50	1.62
Facet Enterprises (automotive)	5¼	138,162	–2,149	–0.77	–0.12	0.25	16.48	3.13
Soundesign (consumer electronics)	6¼	142,894	–1,824	–0.82	0.25	0.38	13.09	2.09
Raybestos-Manhattan (automotive)	21¾	283,004	–1,213	–0.55	2.24	4.90	44.91	2.06
F&M Schaefer (brewing)	4¾	172,660	–1,188	–0.63	–2.51	–33.90	neg	—
Foodarama (groceries)	4	434,096	–1,130	–0.85	0.58	1.58	12.88	3.22
Salem Carpet Mills (furnishings)	2	180,616	–1,064	–0.15	0.06	0.99	3.21	1.60
American Biltrite (multicompany)	7	206,446	–1,055	–0.41	1.26	1.31	20.97	2.99
Susquehanna (building)	3½	118,883	–1,028	–0.43	0.34	1.67	neg	—
Spector Industries[4] (trucking)	10	323,749	–756	–0.41	1.29	2.93	10.57	1.05
Robintech (building)	7⅛	169,567	–755	–0.40	–2.31[3]	1.37[3]	12.93	1.81
National Kinney (multicompany)	3	304,433	–666	–0.32	–0.40	–0.49	0.35	0.11
Vornado (retail)	20⅞	714,672	–585	–0.10	–0.14	1.92	26.59	1.27
Edward Hines Lumber (forest prods)	17	312,211	–529	–0.30	1.58	6.17	45.82	2.69

[1] For fiscal years ending July through June of the following year. [2] Chapter 11 bankruptcy proceedings. [3] Prior fiscal year. [4] Acquisition pending.
E = Estimate. NA = Not available. neg = negative. *Sources: Standard & Poor's; FORBES*

OCTOBER 13, 1980
TWO DOLLARS

Forbes



GERMANY'S CHEMICAL GIANTS

CAN THE U.S. HANDLE THE COMPETITION?

K. Y. CRAFT

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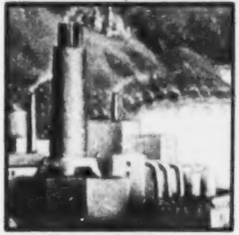
October 13, 1980
Volume 126, Number 8



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Premiums for growth stocks are getting heady again. Has the time come for caution?

What price growth?

EACH MONTH THE FIRM of Kidder, Feabody publishes a list of the 50 Big Board stocks with the highest price/earnings ratios—The Nifty Fifty. Last month the median P/E for the list was 18 *(see chart below)*. If this was still a long cry from the 50-plus median P/Es of 1973, it was also a good move up from the median 13 times earnings that prevailed as recently as November 1979. Last month, Kidder's Nifty Fifty sold at a median P/E that was about twice that of the Standard & Poor's 500, making the premium for growth-glamour about 100%. Way back in the wild days of 1973, the premium had been over 200%.

Clearly, however, growth is back in favor. Over the past year, the September 1979 Nifty Fifty has gained an average 28% in price, while the Dow Jones industrials were up only 5%; a couple of stocks on the Kidder list have doubled.

Where has the action been concentrated? Almost entirely in three areas: high technology (21 of the 50), energy (14 of the 50) and health care (7 of the 50).

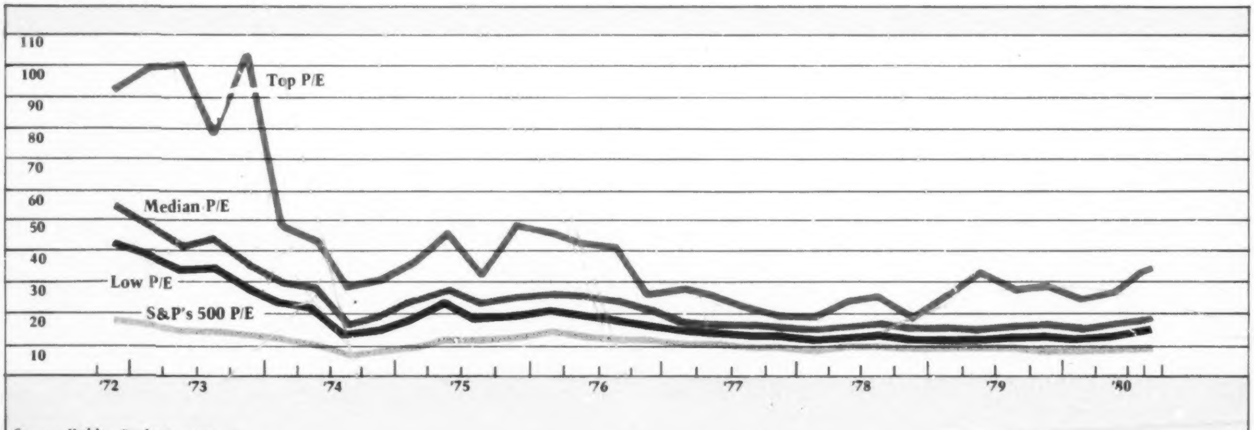
Are the premiums for growth getting out of line again? It's nothing like the late Sixties or early Seventies, but you can make a case that the prices are a bit dizzy. As a group these stocks earned an average 21% on their net worth *vs.* 15% for the averge Big Board stock. But is a 40% premium in profitability worth a 100% premium in P/E? Certainly there is a degree of risk in paying 18 times earnings or more for a stock. Such stocks are vulnerable to factors that might not hurt the ordinary issue—a slowdown in earnings growth, for example. If your ordinary stock has, say, flat earnings or even a modest decline, the stock may not suffer—it is expected. But a Nifty Fifty can be almost destroyed if its earnings growth drops, let's say, from 30% to 10% in a given quarter—that's *un*expected. If for one reason or another the market decides to lower the P/E premium, a slower stock can be literally decimated.

Remember the old Nifty Fifty? Avon Products, for example, was a star. It has almost doubled its earnings since 1973. Yet the stock currently sells for less than 30% of its 1973 price. Its multiple was sharply downgraded. Capitalized at more than 50 times earnings in 1973, the stock is currently capitalized at less than 9. That can happen to any high P/E stock. Let its multiple drop from Nifty Fifty levels down to average levels and you can lose most of your money, even if the company continues to do well.

Can The Nifty Fifty go higher? Of course, it can, but it's getting riskier every day. Mark this well: When you pay 18 times earnings for a stock, the earnings yield is just 5.5%—that's *earnings* yield, not dividend yield. Even if earnings double over a few years the yield is still only 11%. How good a buy is this when government-guaranteed bonds yield as high as 13%? ■

After the fall

The recent strength in the stock market notwithstanding, investors are still a long, long way from the wretched excess they were capable of in the early 1970s. Price/earnings ratios, while up substantially from their lows, are not surreal.



Source: Kidder, Peabody & Co., Inc.

The Nifty Fifty, September 1980

Will this month's Nifty Fifty *(below)* outperform the market as last year's did? Maybe so, maybe not. This kind of stock can be very volatile, depending not only on earnings progress but also on the multiple that investors put on those earnings. What happens depends in good part on how investors feel about paying a premium for growth. Right now they feel pretty good about it: P/Es are higher than they have been in years. They are, however, still far below those of the early 1970s. The obvious dilemma: Is a "correction" due, or is there still more room for price rises?

Company (industry)	Recent price[1]	Recent price/earnings ratio[1]	P/E ratio range 1970 to present	Earnings per share: latest fiscal year	Earnings per share: latest 12 months	Earnings per share: fiscal 1980-81 estimates	% earned on net worth: 1979	% earned on net worth: 1970 to present average
Computervision (computers)	45⅝	34	63– 4[2]	$1.05	$1.34	$1.45	31.9%	8.2%[2]
M/A-Com (precision instruments)	41⅜	33	33– 4	0.99	1.26	1.35	16.4	10.9
•**Rolm** (computers)	36¼	33	50– 7[2]	1.09	1.09	1.40	34.5	27.5[2]
•**Prime Computer** (computers)	36¾	29	38– 7[2]	0.96	1.29	1.35	38.2	17.7[2]
Scientific-Atlanta (electronics)	38½	29	53– 3	1.31	1.31	1.60	15.2	11.2
•**Gearhart Inds**[3] (oilfield services)	37¼	28	28– 3	1.13	1.33	1.70	19.4	17.2
FlightSafety Intl (training services)	29¾	26	41– 3	0.96	1.15	1.20	22.5	18.7
•**Helmerich & Payne** (oilfield svs)	72	21	22– 6	2.63	3.42	3.70	17.5	14.6
New England Nuclear (specialty chems)	30¼	21	42– 7	1.36	1.43	1.65	15.9	14.9
•**Schlumberger** (oilfield services)	133⅛	21	55–11	5.18	6.26	6.80	27.4	20.2
Veeco Instruments (electronics)	33¼	21	31– 3	1.54	1.62	1.85	25.1	14.4
•**Datapoint** (computers)	74¾	20	29– 3	3.81	3.81	4.70	19.7	neg
•**Hospital Corp of America** (health-care svs)	45¾	20	75– 3	2.03	2.35	2.60	14.1	13.3
Tymshare (computer services)	67¾	20	56– 6	3.06	3.46	3.65	20.6	15.8
•**Automatic Data Proc** (computer svs)	48⅜	19	90–13	2.49	2.49	2.95	18.9	16.6
•**EG&G** (electronics)	33⅞	19	93– 7	1.57	1.79	1.80	25.3	14.7
Fluor (engineering & construction)	46¾	19	58– 5	2.01	2.42	2.70	21.9	15.1
•**Humana** (health care)	53¼	19	48– 3	1.98	2.80	3.00	17.4	11.7
Parker Drilling (oilfield services)	52⅝	19	85– 4	2.79	2.81	2.95	19.6	15.4
•**Teleprompter** (cable TV)	23⅜	19	87–10	1.14	1.22	1.35	15.8	3.1
•**Waste Management** (industrial svs)	69⅞	19	46– 4[2]	3.10	3.59	4.00	18.7	15.1
Western Co of NA (oilfield services)	34½	19	105– 1	1.20	1.78	2.20	16.9	19.0
•**Baker International** (oilfield equip)	35¼	18	38– 8	1.63	1.92	2.05	17.8	16.8
Perkin-Elmer (precision instr)	58⅛	18	56–10	3.34	3.34	3.75	17.8	12.6
•**Rowan Cos** (oilfield services)	31	18	21– 3	1.33	1.75	2.35	17.4	15.2
•**Beckman Instruments** (precision instr)	31	17	43– 7	1.83	1.83	2.05	15.9	9.7
•**Big Three Industries** (industrial gases)	58¾	17	26– 9	2.98	3.50	3.75	15.6	14.6
•**Data General** (computers)	83⅞	17	91– 6	4.82	4.93	5.55	19.8	16.7
•**Hewlett-Packard** (precision instr)	71¼	17	63–12	3.43	4.08	4.20	16.4	14.2
Keystone Intl (industrial valves)	28½	17	17– 3	1.50	1.68	1.80	25.9	25.3
Mohawk Data Sciences (computer svs)	26¾	17	85– 4	1.53	1.61	1.85	17.8	neg
Sanders Associates (electronics)	45¾	17	49– 6	2.65	2.65	3.25	22.1	neg
Advanced Micro Devices (electr)	51¼	16	43– 3[2]	2.94	3.18	3.30	26.6	14.1[2]
American Medical Intl (health-care svs)	48⅝	16	52– 3	2.59	3.04	3.20	17.6	11.0
Augat (electronics)	31⅝	16	49– 7	1.86	1.92	2.05	24.1	22.6
•**Digital Equipment** (computers)	85½	16	81–10	5.45	5.45	6.25	15.9	13.2
•**Dun & Bradstreet** (publishing)	53¾	16	31– 9	3.19	3.42	3.50	26.6	21.4
Cameron Iron Works (oilfield equip)	43	16	24– 5	2.61	2.61	3.25	18.3	16.7
Geosource (oilfield services)	82¾	16	16– 6[2]	3.66	5.24	5.00	18.3	15.2[2]
Global Marine (oilfield services)	45½	16	57– 3	2.11	2.86	3.05	22.5	7.5
Halliburton (oilfield services)	118⅛	16	39– 8	6.42	7.25	8.10	16.8	17.3
Handy & Harman (precious metals)	59¾	16	45– 3	2.03	3.71	3.15	15.6	15.2
•**Harris Corp** (machinery)	41⅝	16	30– 4	2.63	2.63	2.95	18.2	11.6
Loral Corp (electronics)	30⅞	16	36– 1	1.84	1.91	2.10	24.2	14.5
•**Medtronic** (health care)	41⅛	16	72– 6	2.52	2.63	3.15	17.2	15.7
Natl Medical Care (health-care svs)	39¾	16	71– 3[2]	2.15	2.41	2.65	23.7	13.9
Natl Medical Enterprises (health-care svs)	43⅜	16	32– 2	2.74	2.74	3.40	12.1	10.0
Tandy Corp (consumer electronics)	70	16	35– 3	4.47	4.47	5.35	40.0	23.2
Viacom International (broadcasting)	48⅜	16	53– 3	2.48	2.94	3.25	20.3	12.0
•**Wal-Mart** (retail)	48¼	16	50– 6	2.68	2.97	3.25	25.0	22.3

• Company also appears on The Nifty Fifty, September 1979 list from Kidder, Peabody (see table, p. 86). [1] The calculation for the price/earnings ratios for the Kidder, Peabody Nifty Fifty list are based on the closing market price on the last trading day of the preceding month and the most recent 12-month earnings. Recent price is the price at the end of August 1980. [2] Data shows range for period shorter than ten years. [3] Formerly Gearhart-Owen Industries. neg: negative

Sources: Kidder, Peabody & Co., Inc.; Standard & Poor's; Forbes

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Gold prices have started to move up again. Should investors consider gold futures?

THE BAD NEWS BAROMETER

By Stanley W. Angrist

MY READERS steadfastly refuse to send me any easy questions. The one thing that seems to be on their minds right now is how the outcome of the presidential election will influence precious metals' prices. As regular readers of this column know, I am not a big fan of the precious metals, primarily because I found I had to sleep at night. It's a trade-off I resigned myself to a long time ago. Ah, but I am begging the question.

During the past couple of weeks gold and silver have started to move up again in a rather convincing manner. There are a number of reasons that have been put forth for this move: 1) Saudi Arabia raised the benchmark price of crude about $2 per barrel; 2) Carter has pulled even with Reagan in the polls, raising fears that he could win the election and restore our economy to his "normal" 18% inflation rate; or 3) Reagan will prevail in the election and restore U.S. currency to a gold standard, thus increasing the demand for gold; or 4) the Federal Reserve Board has lost control of the money supply again, thus dooming us to another bout of unchecked inflation. Of course, not all of these reasons are mutually exclusive, and some traders believe that more than one could be operating at this time. However, now that I have listed them I feel it incumbent to comment on them.

The question raised by the Saudis' latest oil price increase is whether they can make it stick in a time of world oil glut. My guess is it will be difficult.

Carter could indeed patch the Democratic coalition together one more time and pull off an election victory. Would he inflate the economy with the same zeal and vigor he did during his first four years? Being an optimist, I am inclined to doubt it, but it is certainly within the realm of possibility.

A Reagan victory is certainly no guarantee that we would return to a gold standard, regardless of the Republican platform. In the long run, Reagan would probably reduce the growth of the federal budget and this would have a negative effect on gold prices. And the passage of the Kemp-Roth tax reduction bill would certainly cloud this scenario.

People who watch the week-to-week fluctuations of the money supply figures are akin to those folks who keep track of who is ahead in first downs in a football game. It certainly is some indication of what is going on, but it is a long way from telling you who the winner might be.

So where does that leave us? As always we are faced with the fundamentals of supply and demand. Consolidated Gold Fields, Ltd. has prepared an extremely comprehensive report on gold written by David Potts, a gold analyst in its mining division. Presented below is a portion of its supply/demand balance for the previous ten years. It is evident that even in the face of higher prices noncommercial mine production has shown a marked decline, while official sales have steadily risen. (Official sales are those made by governments, such as the U.S. Treasury and the International Monetary Fund.)

The second part of the table shows how gold has been used over the past ten years. In 1979 purchase for investment (or hoarding, if you prefer), which includes by my reckoning medals, fake coins, official coins and other forms of bullion investment, amounted to 733 metric tons. It doesn't take a statistical wizard to see that last year there was a 56% increase in that area. Other industrial uses include carat jewelry (the biggest use), electronics, dentistry and miscellaneous. More than 43% of last year's gold supply wound up being bought by people who no longer trusted paper currency.

Gold is a demand-oriented commodity. It needs fresh news (or as some would say, fresh fears) to spark additional hoarding. Unfortunately, the world has not lacked for things to worry about in recent years. Still, I cannot in good faith recommend the purchase of gold futures contracts—they are just too volatile.

Investors who wish to own gold to protect themselves against the ravages of inflation might be better off putting a small portion of their portfolio into good-quality gold-mining stocks during periods of price weakness or, for the nonincome oriented, purchasing Krugerrands or similar gold coins on a cash basis. Leave the gold and silver futures market to the very high rollers. ■

The gold picture

Though the world's gold supply has grown by 70% over the past ten years, the amount of gold that went into investment and hoarding has gone from a disbursement of 241 tons in 1970 to an accumulation of 773 tons.

Gold Supply (metric tons)	**1970**	**1971**	**1972**	**1973**	**1974**	**1975**	**1976**	**1977**	**1978**	**1979**
Non-Communist world mine production	1,274	1,236	1,184	1,121	1,007	954	969	972	980	962
Net trade with Communist bloc	(3)	54	213	275	220	149	412	401	410	229
Net official sales or (purchase)	(236)	96	(151)	6	20	9	58	269	362	574
Net private purchases	1,035	1,386	1,246	1,402	1,247	1,112	1,439	1,642	1,752	1,765
Gold Use* (metric tons)										
Industrial uses	1,276	1,282	1,240	785	441	711	1,152	1,227	1,258	992
Investment & hoarding (sales)	(241)	104	6	617	806	401	287	415	494	773

*Non-Communist.

Data supplied by Consolidated Gold Fields, Ltd

Stanley W. Angrist is a professor at Carnegie-Mellon University and the author of Sensible Speculating in Commodities.

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OCTOBER 27, 1980

TWO DOLLARS

Forbes

RCA CHAIRMAN
EDGAR GRIFFITHS

IS THE PICTURE REALLY BRIGHTER?

Forbes

October 27, 1980
Volume 126, Number 9

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Ed Griffiths isn't your typical captain of industry; but difficult situations require untypical men.**

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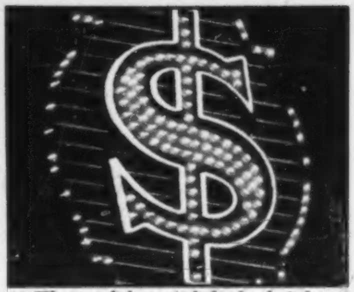

89 The mob hasn't left the bright lights behind. It has merely become invisible.

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The Herold organization has put out startling figures on the value of oil reserves. The figures have created quite a stir on Wall Street.

"Like buying gold at $35 an ounce"

The Streetwalker

WHAT WOULD YOU SAY a barrel of oil in the ground is worth today? Well, Sun Co. recently paid about $12 a barrel for the reserves of the Texas Pacific Oil subsidiary of Seagram Co. That was considered high at the time, but it is beginning to look more like a bargain each day.

How about 43 *cents* a barrel? Ridiculous? Not to Standard Oil of Ohio. That's the value at which Sohio carries its reserves on its books, according to energy analysts at John S. Herold Inc. If Herold's figures are correct—and the trade considers them conservative—Sohio stock is a steal at current prices. Its reserves alone are worth over $200 a share, *vs.* a recent market price of $65.

The price of black gold

Has the stock market fully recognized the value of oil in the ground? Maybe not. Look at the extraordinary gap between these 34 companies' book values and the appraised values of their reserves. Then look at their stock prices.

Company	Reserves (oil & gas equivalents)		Value of reserves per barrel		Value of reserves per share		Recent stock price	52-week price range	Latest 12-months EPS	Price/ earnings ratio
	million bbls[1]	bbls per share	as reported[1]	as appraised[1]	as reported[1]	as appraised[1]				
Amerada Hess	1,258	17	$0.97	$5.60	$16.08	$ 64.65	37½	37⅝–18½	$ 7.00	5.4
Atlantic Richfield	4,884	21	0.66	5.12	13.95	109.20	59⅛	59⅛–35	6.17	9.6
BP Canada[2]	264	12	0.70	2.94	8.64	36.55	44½	57 –36[3]	4.65	9.6
Belco Petroleum	257	22	1.49	4.91	32.99	109.30	53¼	53½–29	7.28	7.3
Cities Service	1,067	13	1.02	4.25	13.00	58.20	45⅜	47¾–23⅞	5.64	8.0
Conoco	3,300	31	0.81	5.34	24.65	114.95	62⅝	62¾–39½	9.44	6.6
Dome Petroleum[2]	676	14	1.99	3.09	27.30	58.55	76⅛	95 –41½	4.56	16.7
Exxon	10,980	25	1.03	3.47	25.99	108.70[4]	75¼	75⅜–52	11.74	6.4
Getty Oil	2,463	30	1.15	4.20	34.59	103.55[4]	94½	97¾–60	10.03	9.4
Gulf Canada[2]	933	4	0.91	3.85	3.73	13.20	28⅛	36½–26½	1.55	18.1
Gulf Oil	3,092	16	1.72	5.74	27.20	79.65	45	54½–30¾	8.41	5.4
Hudson's Bay O&G[2]	883	12	0.41	4.20	4.75	45.90	32⅛	39½–25¼	1.83	17.6
Imperial Oil[2]	1,174	7	1.33	3.24	9.96	34.00[4]	43¼	59⅛–35⅛	4.36	9.9
Kerr-McGee	282	11	1.64	5.52	17.84	55.95[4]	86	87⅜–52	6.93	12.4
Marathon Oil	1,788	30	0.87	5.37	25.57	124.65[4]	64¾	73¼–40¼	6.29	10.3
Mobil	5,042	24	1.07	4.88	25.34	101.40	75¼	89½–43¼	12.59	6.0
Murphy Oil	347	9	2.17	5.61	20.17	52.20	49	49½–22½	3.49	14.0
Occidental Petroleum	960	13	0.66	1.54	8.63	20.70[4]	30¾	31⅞–19	10.49	2.9
PanCanadian Petro[2]	515	16	1.24	4.55	20.41	75.05	88⅛	92 –60¼[3]	6.62	13.3
Pennzoil	300	6	3.54	8.48	20.81	50.30	50⅜	54¼–29⅞	5.72	8.8
Phillips Petroleum	2,493	16	1.15	5.99	18.77	96.65	52½	61⅛–37⅜	6.49	8.1
Royal Dutch	5,499	41	1.53	4.41	62.75	184.84[5]	94	94 –66½	32.69	2.9
Shell Canada[2]	1,137	16	0.76	3.63	11.77	41.15	30½	44½–27⅞[3]	3.14	9.7
Shell Oil	3,477	12	2.28	6.99	25.70	78.85	48⅛	48¼–23	4.55	10.6
Shell Transport	3,666	13	1.53	4.41	20.30	59.76[5]	40⅜	41¾–27	10.25	3.9
Southland Royalty	341	7	1.37	8.02	10.12	58.45	61⅜	65 –20⅛	1.45	42.3
Standard Oil of Calif	2,941	17	1.11	5.04	19.12	91.50[4]	86¾	87¾–52½	12.99	6.7
Standard Oil, Indiana	3,681	13	1.56	6.26	19.70	105.05	71¾	73 –35¼	6.36	11.3
Standard Oil of Ohio	5,000	21	0.43	4.78	8.93	203.75[4]	65	65 –33⅞	7.04	9.2
Sun Company	1,430	12	1.25	4.45	14.80	127.85[4]	48⅞	48⅞–28¼	7.50	6.5
Superior Oil	938	37	1.80	4.58	66.48	200.45	233½	233½–99	11.39	20.5
Texaco Canada[2]	889	7	0.35	4.61	2.57	34.00	23⅛	31⅛–21¾	2.69	8.6
Texaco	4,710	17	1.11	4.92	19.35	86.15	37¼	41⅝–27	6.20	4.6
Union Oil of Calif	1,984	11	0.91	2.12	10.37	49.70[4]	43⅜	45 –19⅞	3.49	12.5

[1] Based on figures in *Oil Industry Comparative Appraisals* and *Petroleum Outlook*, John S. Herold Inc.; reserve figures used in appraisals may differ from current reserve figures. [2] Canadian dollars. [3] 1980 price range. [4] Appraisal excludes effects of windfall-profits tax on U.S. production. [5] Includes ownership in Shell Oil and Shell Canada, but excludes minority interests in those companies.

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In a fascinating study in the September 1980 issue of Herold's *Petroleum Outlook* newsletter, the Herold analysts figured the value at which 139 companies carried their oil and gas properties on their books as of Dec. 31, 1979. As the implications of the study came in last month, they contributed to the strength in oil stocks on Wall Street. The figures are startlingly low, with most companies valuing their reserves at under $2 per barrel. And even that low figure is overstated, as it includes the book value of unexplored acreage. By ordinary statistical standards, the oil stocks still appear to be fantastic bargains.

The major reason for the lilliputian book values is that much of the oil was discovered years ago, when oil prices and lease fees were low. Over the years of production, the book value has been written down as well. All that, however, may change. Under the Securities & Exchange Commission's proposed "Reserve Recognition Accounting" requirement *(The Numbers Game, Sept. 29)*, the book value figures would have to be written up to more realistic values.

Herold also appraises the value of companies' oil and gas reserves, and in the table FORBES compares the oil companies' book values with Herold's appraised values. The table covers the 34 largest companies on the *Petroleum Outlook* list—those with reserves of over 250 million barrels of oil and equivalent gas. In the table we compare book and appraisal values on a per barrel and per share basis. In most cases the appraisal is 3 or more times the book value. The appraisals might have been even higher, except that in some cases the appraisals are almost a year old and are based on older reserve figures and lower prices than might currently be used.

Herold is a conservative outfit. In arriving at the appraisal value for reserves, Herold assumes an increase in world oil prices of only 6% a year—which still results in a staggering $100 per barrel price by the year 2000—but discounts those future revenues at a 10% rate. That lowers the appraisal considerably. Even more important, Herold ascribes no value to reserves located in politically unstable areas. That hurts the international companies, who have significant reserves in Asia, Africa and the Middle East. Worst hit is Occidental Petroleum, 80% of whose reserves are located in Libya, Peru and Bolivia, countries Herold considers unstable. Appraised value of those reserves: zero. In short, the Herold appraisals are heavily tilted toward conservatism. If anything, the values are probably understated.

As a consequence of this conservatism, the acquisition price of companies appraised by Herold is frequently higher than the appraisal. In 1978, for example, Dome Petroleum acquired Siebens Oil & Gas for $38.50 a share. Herold had appraised the Canadian company at $21.25 a share.

An old-time trader, looking at the huge gaps between appraised value and current market prices, exclaimed: "Buying oil stocks at these prices is like buying gold at $35 an ounce." He was almost shouting with excitement as he picked up the telephone to add yet more to his already huge holdings of oil stocks.

His excitement is understandable. Atlantic Richfield's reserves, for example, are appraised by Herold at $109.20 a share; its stock price was recently 59⅛. Texaco's reserves are valued at $86.15. Its share price: 37¼.

An anomaly is that almost all the Canadian companies have reserves valued lower than their stock prices. The reason, say analysts, is twofold. On the appraisal side, the Herold appraisals are based on the far lower oil price prevailing in Canada as well as the Trudeau government's intention of holding the price down. On the stock price side, the prices originally ran up because of the Joe Clark government's commitment to let the price of Canadian oil rise to world levels. The stock prices of Canadian oil companies dropped somewhat when Trudeau was elected and promised to renege on Clark's commitment, but they have not dropped as much as might have been expected. Why? Because investors do not believe that Trudeau will be able to prevent prices from rising. "You buy oil companies in the expectation of future reserve growth," says energy analyst Osman Eralp of Bache Halsey Stuart Shields. "Investors are expecting Canadian oil prices to go up and for more oil to be found."

Peter Treves of Treves & Co., who has long been bullish on oil shares, puts it this way: "The bull market in oil stocks is just beginning." Other analysts are less confident, but there's scarcely one among them who doesn't think that all investors should have at least a good chunk of oil stocks in their portfolios.—*Subrata N. Chakravarty*

The rebellion in Poland cripples already sagging production, while promises of higher pay meet the reality of less to buy. More trouble ahead for the communist bosses.

The trouble isn't over

By Jerry Flint

LATE IN SEPTEMBER the Communist Party newspaper in Poland, *Trybuna Ludu*, carried an interview with Vice Premier Aleksander Kopec. He complained that the production losses caused by worker strikes in August amounted to 36 billion zlotys (about $1.2 billion) and in September they were running another 25 billion ($833 million). Those losses alone would amount to better than 1% of Poland's annual gross domestic product if that were all—which it probably isn't. "They're just guessing," says one U.S Commerce Department specialist on Poland. "Nobody knows, and nobody can calculate those losses now," says another expert.

Kopec also complained that the factories have slowed down, that the country is short 2.8 million tons of coal, 135,000 tons of steel, 1,465 tractors, 14,000 washing machines and 2 million pairs of shoes.

At the end of the month the official Polish news agency had another report:

"The current supply situation in the country is exceptionally difficult. There is a shortage of many fundamental raw materials, including a 2.4 million-ton shortage of anthracite and lignite and also a lack of copper, steel, cement, lumber, plastics, paints and lacquers.

"This causes interruptions in deliveries to industry and delays the implementation of production tasks. Under these conditions, irrespective of emergency measures undertaken throughout the country to improve supplies of materials, we particularly need the valuable initiative of industrial enterprises."

Another official Polish report, noting

The market in general is roaring ahead, but there are plenty of losers. Yet it's possible that today's loser can become tomorrow's winner.

Clinkers and clunkers

Statistical Spotlight

YOU COULD HAVE SCORED BIG in this market where the bulk of stocks are way up (FORBES, *Oct. 13*). You could also have bombed. Had you been unfortunate enough to start 1980 by spreading your money among the 75 biggest clinkers and clunkers—25 each on the New York, AMEX and NASDAQ—your portfolio would now be worth 39% less than when you started.

Our list of clinkers and clunkers contains such well-known names as Wilson Freight, Commonwealth Oil, General Public Utilities, Massey-Ferguson, First Pennsylvania, Great Basin Petroleum and The Charter Co.

Look at Charter. Just a little over a year ago it was much coveted and sold for as high as $50 a share. But because of the world oil glut, a severe earnings collapse started in the second quarter and the stock now sells at 19. Charter is down 44% since the start of the year.

For the most part, high-technology stocks have gone berserk on the up side. However, several high techs have run against the market. Companies such as Four-Phase Systems and Centronics Data Computers are beset, at least temporarily, by high costs for research and development and new product launches. The margins of many computer companies are hurt by the fact that more and more customers, anticipating more efficient products on the horizon, are opting to lease rather than purchase existing equipment.

The prices of such companies as Massey-Ferguson, Great Atlantic & Pacific Tea, Tobin Packing and Itel reflect the fact that they have shown little or no profit over recent years.

With so many good securities hitting new highs, why would anyone be interested in clinkers and clunkers? Because many of these companies will eventually turn around. Like the market, individual companies tend to run in cycles. Secondly, the market always overreacts, both to bad news and to good news.

But look carefully before you cast your lot with the losers. Wilson Freight and White Motor recently filed for Chapter 11 and several others are also in precarious financial positions. Study the underlying fundamentals before investing in any of these stocks.

A wise professor expanded on Benjamin Graham's concept of seeking undervalued stocks by noting that to be successful in the market you should alter your coordinates of space and time. That was just a professorial way of saying that today's loser can be tomorrow's winner. And vice versa. He meant: Never mind what people are saying now; try to look beyond that, to 1982 and 1983. Don't buy on the last quarter's results; buy on what you think results will be one or two years hence. Remember that many of the stocks shining in today's market were dull a little while back. A case in point? As recently as a year ago, few investors would touch railroad stocks; this year they have been among the market's hottest performers. Conversely, gambling stocks were dynamite last year; this year they are going begging.—*Steve Kichen*

Seventy-five stocks that didn't . . .

The 25 biggest losers on the New York and American Stock Exchanges and in the NASDAQ market.

Company (industry)	% change since Jan. 1	Recent price	Price as of Jan. 1	Price range: Jan. 1 to present	Latest 12-months EPS	Price earnings ratio	Indicated dividend	Indicated yield	Annual revenue (000)
New York Stock Exchange									
Itel (finance)	–58%	2¼	5⅝	5⅝– 1¼	NA	—	—	—	NA
Compugraphic (typesetting equipment)	–46	20⅞	38¾	42⅝–17½	$ 2.31	9.0	$0.28	1.3%	$ 252.8
Charter (oil & gas retailing)	–44	19½	34⅞	44¼–15¾	12.65	1.5	1.00	5.1	4,249.7
Lamson & Sessions (railroad equipment)	–41	9⅜	16	17⅜– 7⅞	0.69	13.6	0.60	6.4	324.9
Richardson (multicompany)	–39	16	26¼	26⅜–13¾	0.65	24.6	1.30	8.1	159.8
General Public Utilities (electric utility)	–39	5¼	8⅜	9⅜– 3⅜	0.61	8.6	—	—	1,490.2
Centronics Data Computer (computer equip)	–39	30⅛	49⅞	50⅛–19½	3.01	10.0	1.00	3.3	130.7
Four-Phase Systems (computer equipment)	–38	28¾	46¾	47⅛–19½	2.24	12.8	—	—	178.7
Lynch Comm Sys (telecommunications)	–37	14⅛	22½	25¾–12⅜	0.66	21.4	0.10	0.7	50.4
UNC Resources (uranium mining)	–36	14⅜	22½	27¾– 9⅞	d 1.42	neg	—	—	267.3
Massey-Ferguson Ltd (agricultural equip)	–36	6½	10¼	11⅝– 5⅝	d 7.58	neg	—	—	2,973.0
Cadence Industries (publishing)	–36	11¼	17⅜	17⅝– 7¼	1.89	5.9	—	—	124.2
First Pennsylvania (bank)	–35	5⅝	8¾	9 – 3⅞	d 7.21	neg	—	—	991.2
Data Terminal Sys (business machines)	–33	25¼	38⅛	38⅞–16⅜	1.24	20.4	0.30	1.2	107.2
MGM Grand Hotels (hotels)	–32	14½	21½	23⅛–13¼	1.09	13.3	0.40	2.8	298.3

[1] Earnings, dividends and sales converted to U.S. dollars. [2] Company filed for reorganization under Chapter 11. [3] Unit of company filed for reorganization under Chapter 11. d: deficit. neg: negative. NA: Not available. NM: Not meaningful.

Sources: Standard & Poor's; FORBES.

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Seventy-five stocks that didn't . . .

Company (industry)	% change since Jan. 1	Recent price	Price as of Jan. 1	Price range: Jan. 1 to present	Latest 12-months EPS	Price/earnings ratio	Indicated dividend	Indicated yield	Annual revenue (000)
Bally Manufacturing (recreation)	–32%	24⅜	36	36½–19	$ 1.75	13.9	$ 0.10	0.4%	$ 376.8
Southland (retail)	–31	19⅝	28¾	30⅛–17⅜	3.05	6.4	0.99	5.0	3,856.2
Howell Corp (oil & gas)	–31	20⅝	30	33 –15	5.28	3.9	0.40	1.9	350.3
Arctic Enterprises (recreation)	–31	3¾	5½	5¾– 2⅝	d 5.88	neg	—	—	185.5
Great Atl & Pac Tea (groceries)	–30	6	8⅝	8⅝– 4⅝	d 1.58	neg	—	—	6,684.2
DiGiorgio (food processing)	–29	9⅛	12⅞	15⅛– 7	1.13	8.1	0.56	6.1	1,028.5
Western Air Lines (airlines)	–28	7⅛	10⅜	11⅝– 6	d 0.16	neg	0.20	2.7	932.1
TeleCom Corp (trucking)	–28	9¼	13	17¼– 7⅞	0.86	10.8	0.70	7.6	159.0
Talley Industries (multicompany)	–28	5¾	8	9⅜– 4¼	d 2.21	neg	—	—	396.1
Leucadia National (finance)	–28	6¼	8¾	9½– 3⅝	d 1.67	neg	—	—	25.6
American Stock Exchange									
Vesely (recreation)	–75	1⅜	5½	4½– ¾	d 2.28	neg	—	—	10.2
National Kinney (indust & consumer serv)	–66	3⅛	9⅜	10¼– 2⅝	d 0.30	neg	—	—	285.7
Seligman & Associates (construction)	–60	½	1¼	1¾– ½	d 0.07	neg	—	—	17.7
Medco Jewelry (jewelry)	–59	¼	⅝	⅞– ⅛	d 5.36	neg	—	—	16.2
McDowell Enterprises (building)	–55	7⅞	17¾	17¾– 5¼	0.87	9.1	0.13	1.7	86.4
Mego International (toys)	–46	4¾	8⅞	9 – 4⅜	0.38	12.5	0.28	5.9	108.6
General Exploration (coal mining)	–46	2⅝	4⅞	6¼– 1	d 2.79	neg	—	—	38.6
Askin Service (retail)	–44	2½	4½	6⅜– 1¾	d 1.06	neg	—	—	7.7
DCL (computer services)	–42	3	5¼	5¾– 3	0.24	12.5	—	—	16.3
Great Basins Petrol (oil & gas production)	–39	13	21⅜	24¼–11⅜	d 0.25	neg	—	—	26.0
Peerless Tube (packaging)	–34	9⅛	14	14 – 6¾	1.32	6.9	0.50	5.5	36.6
Crown Crafts (household products)	–34	2⅝	4	4⅛– 2⅜	d 0.06	neg	—	—	28.2
Crown Central Petrol A (oil & gas retail)	–34	27⅛	41⅜	49¼–17⅝	10.23	2.7	1.60	5.9	1,054.8
Compo Industries (man-made leather)	–33	4⅜	6⅝	8½– 3⅝	0.20	21.9	0.20	4.6	117.8
GRI (personal products)	–32	2⅝	3⅞	3⅞– 1⅜	d 2.73	neg	—	—	70.8
Trafalgar Industries (vending machines)	–31	3½	5⅛	7⅜– 2½	d1.25	neg	0.12	3.4	15.6
LB Nelson (real estate)	–31	6⅜	9⅜	9⅜– 4⅝	0.56	11.4	—	—	89.1
Lloyd's Electronics (electronics)	–31	1⅜	2	2⅜– 1⅛	d 3.80	neg	—	—	90.8
Numac Oil & Gas[1] (oil & gas)	–30	28⅞	41¼	46 –21½	0.51	56.6	0.17	0.6	15.8
Conchemco (multicompany)	–30	10¾	15⅜	16¼– 9⅜	d 7.03	neg	—	—	60.6
Fairmount Chemical (chemicals)	–29	3⅜	4¾	5 – 3⅛	d 0.03	neg	—	—	9.0
Branch Industries (trucking)	–29	3	4¼	6⅛– 2½	0.33	9.1	—	—	162.4
Russell, Burdsall, Ward (hardware)	–27	2¼	3⅛	3⅞– 1⅞	d 0.43	neg	—	—	154.5
Plant Industries (packaging)	–27	7⅝	10½	13 – 6⅜	d 0.91	neg	—	—	81.8
Gelman Sciences (precision instruments)	–27	15¼	21⅛	23¼–11⅝	0.76	20.1	—	—	34.0
NASDAQ									
RC Sanders Tech Sys[2] (computer printers)	–64	2¼	6¼	6⅜– ½	d 2.43	neg	—	—	2.0
American Home Shield (household serv)	–63	1⅜	3¾	6⅝– 1⅜	d 0.44	neg	—	—	8.4
Envirodyne Industries[3] (integrated steel)	–59	1⅛	2¾	3⅝– ⅜	d 4.69	neg	—	—	273.2
National Railway Utilization (RR equip)	–56	1¾	4	4¾– ⅝	d 2.91	neg	—	—	68.0
Wilson Freight[2] (trucking)	–54	1⅜	3	5 – ¾	d 2.74	neg	—	—	197.2
Roselon Industries (textiles)	–50	2	4	4 – 1½	d 2.05	neg	—	—	47.0
CompuScan (computer equipment)	–50	4½	9	9 – 3¼	d 2.36	neg	—	—	18.2
Briggs Transportation (trucking)	–50	¾	1½	1¾– ¾	d 1.02	neg	—	—	64.9
Commonwealth Oil Ref (petroleum retail)	–49	5¼	10⅜	19⅜– 4	d 0.83	neg	—	—	1,213.6
Turf Paradise (recreation)	–48	6½	12½	12½– 5½	d 0.68	neg	—	—	5.9
Keydata (computer services)	–48	2⅛	4⅛	5 – 1¾	d 0.30	neg	—	—	16.8
Kettering Industries (advertising displays)	–47	2¼	4¼	4¼– 2¼	0.10	22.5	—	—	15.9
White Motor[2] (automotive)	–46	3⅛	5⅞	9½– 2⅝	d 6.17	neg	—	—	1,211.0
US Energy (Mining)	–45	16¼	29¾	36¼–13½	0.07	NM	—	—	4.9
International Kings Table (restaurants)	–45	2⅛	3⅞	3¾– 1⅝	d 0.57	neg	—	—	30.5
Capitol International Airways (airline)	–45	1⅜	2½	3½– 1⅜	d 3.27	neg	—	—	93.1
MAPI (auto equipment)	–44	2½	4½	4½– 2⅛	d 2.13	neg	—	—	27.9
General Automation (computer equipment)	–43	8⅝	15¼	18⅞– 6¾	d 3.78	neg	—	—	116.4
Tobin Packing (food processing)	–42	2	3½	4½– 1¾	d 1.00	neg	—	—	95.6
JF Lawhon Furniture (furniture)	–42	½	⅞	1 – ½	0.26	1.9	—	—	62.1
Billings Energy (energy research)	–41	8½	14½	14½– 7	d 0.26	neg	—	—	8.7
Allyn & Bacon (publishing)	–41	7	12	13 – 7	d 0.37	neg	—	—	32.3
UniShelter (real estate)	–40	4½	7½	7½– 3¼	1.11	4.1	—	—	14.1
Leisure Dynamics (toys)	–40	3	5	5¼– 2	d 0.38	neg	—	—	59.8
Falcon Products (food service equipment)	–40	3	5	5½– 3	0.52	5.7	—	—	32.4

[1] Earnings, dividends and sales converted to U.S. dollars. [2] Company filed for reorganization under Chapter 11. [3] Unit of company filed for reorganization under Chapter 11. d: deficit. neg: negative. NA: Not available. NM: Not meaningful.

Sources: Standard & Poor's; FORBES.